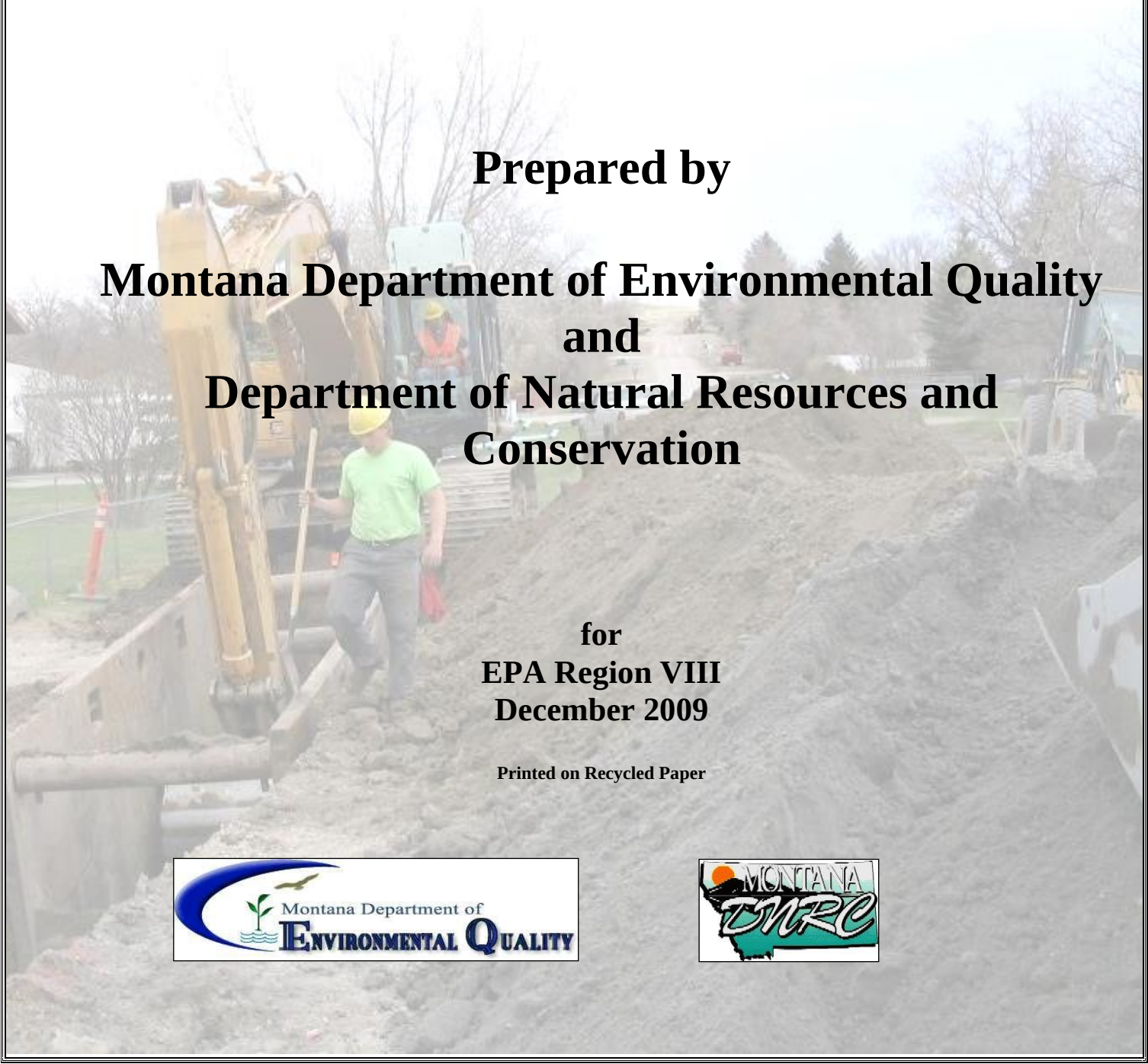
# MONTANA

## DRINKING WATER STATE REVOLVING FUND

# ANNUAL REPORT

### FOR STATE FISCAL YEAR 2009
### (JULY 1, 2008 THROUGH JUNE 30, 2009)



## Prepared by

## Montana Department of Environmental Quality
## and
## Department of Natural Resources and Conservation

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**December 2009**

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**MONTANA**
**DRINKING WATER STATE REVOLVING FUND (DWSRF)**
**ANNUAL REPORT**
**STATE FISCAL YEAR (SFY) 2009**
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# MONTANA
# DRINKING WATER STATE REVOLVING FUND (DWSRF)
# ANNUAL REPORT
# STATE FISCAL YEAR (SFY) 2009

## I. INTRODUCTION

This Annual report adheres to the Operating Agreement negotiated between the State of Montana and the Environmental Protection Agency (EPA) concerning the administration of the Drinking Water State Revolving Fund (DWSRF). The annual report summarizes DWSRF activities for the state fiscal period beginning July 1, 2008 and ending June 30, 2009 (SFY09).

The DWSRF program was established as a result of the 1996 Amendments to the Federal Safe Drinking Water Act, which provided the authority for EPA to make capitalization grants to states. The grants, in conjunction with state matching funds, are used to provide financial assistance for the construction of drinking water projects and to support administration of the state program.

In anticipation of the 1996 Amendments to the Federal Act, the 1995 State Legislature, under Title 75, Chapter 6, Part 2, Montana Code Annotated, passed the enabling legislation, entitled the Safe Drinking Water Treatment Revolving Fund Act, giving authority to the Montana Department of Environmental Quality (DEQ) and the Department of Natural Resources and Conservation (DNRC) to adopt administrative rules to implement the program. Legislation also provided the ability to generate state matching funds, through the sale of state General Obligation Bonds (GO Bond Authority). Amendments to the Drinking Water State Revolving Fund Act were passed in the 1997, 1999, 2001, 2003, and 2005 Legislative Sessions. The 1997 amendments changed the title of the Act from "Safe Drinking Water Treatment Revolving Fund Act" to the "Drinking Water State Revolving Fund Act" and also made other changes consistent with the Federal Act. During the 1999 Legislative Session, the 1999 amendment clarified the transfer language between the DWSRF and Water Pollution Control State Revolving Fund (WPCSRF) Programs and added GO Bond Authority. The 2001 Amendment authorized the program to advance funds to projects funded, in part, by the federal government when federal funding has been approved but not appropriated. This provides interim financing until those federal funds become available. The 2003 Amendment increased GO Bonding Authority by $10 million, raising the total to $30 million. The 2005 amendment authorized the issuing of Revenue or Grant Anticipation Notes and authorized limited principal forgiveness to disadvantaged communities.

## II. EXECUTIVE SUMMARY SFY09

During SFY 09 Montana applied for the set asides from the FFY09 capitalization grant, however this was not awarded until SFY10.

Since the inception of the DWSRF, Montana has issued five GO bonds, one Bond Anticipation Note (BAN) and two Revenue Anticipation Notes (RAN). These proceeds have been used as state match for loans, set asides, and program administration. Montana issued its first GO bond in October 1998 (SFY99), the second GO Bond in April 2000 (SFY00), the third GO bond in June 2001 (SFY01), the fourth GO Bond in June 2003 (SFY03); and the fifth GO Bond in May 2005 (SFY05). The total amount of bonds, BANs, and RANs issued to date is $19,295,000, with other state funds generated, match is $23,618,754. A summary of these bond issues is provided in Exhibit 1. Montana is planning for its sixth GO Bond later in calendar year 2010.

Exhibit 1, Sources of DWSRF Funds Through SFY09, provides a complete tabulation of capitalization grant awards received through June 30, 2009, projected state match, binding commitments for loan projects through SFY09, and GO bonds, BANs, and RANs, and other state match issued for total state match. The combination of capitalization grants and bond proceeds provided the needed funds for DWSRF projects, set asides, and program administration during SFY09. In addition, DNRC provided a portion of their program administration services as an in-kind contribution in the amount of $-0- for SFY09.

During SFY09, the DWSRF program executed 13 project binding commitment agreements totaling $16,893,000, increased four commitments in the amount of $778,800, and converted four base SRF commitments to ARRA commitments in the amount of $773,000, with total commitment of funds of $18,444,800 for the period. For a detailed breakdown of all DWSRF binding commitments signed and key dates of project activity that occurred in SFY09, refer to Exhibit 2: DWSRF SFY09 Binding Commitments Executed. See Exhibit 3 and 4 for the closed loans.

Detailed information concerning use of DWSRF funds, accomplishments of the program and adherence with the stated goals of the program are provided on the following pages.

## III. GOALS OF THE DWSRF

The following information describes the goals of DWSRF program as identified in the SFY09 Intended Use Plan, and how these goals were achieved by the activities performed by DNRC and DEQ personnel throughout the course of the year.

**Long-Term Goals**

1. To continue building and maintaining a permanent, self-sustaining state revolving fund program that will serve as a cost-effective, convenient source of financing for drinking water projects in Montana.

   Projects funded during SFY09 met all program requirements governing financial capability to assume debt. Seven of twenty one loans received an interest rate of 3.75% on their loans (well below market rates) and twelve of the twenty one qualified for an interest rate of 2.75% under the disadvantaged community criteria or interim financing. Also, under the ARRA funding, one project (2 loans) received an interest rate of 0.75% on one loan and received principal forgiveness on the other loan. These factors illustrate that the assistance is affordable. Refer to Exhibit 3 & 4. A copy of the cash flow with all the activity through SFY09 is included in this report as Appendix A.

2. To provide a financing and technical assistance program to help public water supplies achieve and maintain compliance with federal and state drinking water laws and standards for the protection and enhancement of Montana's public drinking water.

   To promote the availability of these DWSRF program services during SFY09, DWSRF staff presented information at a variety of events. This included five infrastructure workshops and the annual Montana Rural Water Systems conference, as well as meeting one on one with community leaders.

   Please also refer to the project descriptions and discussion of set-asides provided in Section V: Details of DWSRF Activity.

**Short-Term Goals**

1. Continue implementation and maintain the Drinking Water State Revolving Fund Program in Montana.

Since the approval of its DWSRF loan program and first capitalization grant award, Montana has been awarded eleven more capitalization grants, issued matching G.O. bonds, BANs, and RANs, utilized the provision to transfer funds between the WPCSRF and DWSRF, and generated other revenue from loan repayments and interest investments. The number of closed loans through June 30, 2009 now totals over $132,871,587. Please see Appendix D project list and location map.

2. To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection Byproducts, Long Term 2 Enhanced Surface Water Treatment, and Arsenic Rules. Montana anticipates funding at least two projects to address surface water treatment in SFY09.

   The anticipated projects for surface water treatment listed in the SFY09 IUP were for Essex Water & Sewer District and the City of Laurel. Essex is under construction and will close it's loan in December 2009, utilizing ARRA funding. The City of Laurel project was completed. Two other loans were closed in SFY09 with the City of Harlem to address surface water treatment compliance and that project was also completed.

3. To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expects to fund five consolidation projects in SFY09.

   Only four consolidation project loans were closed during SFY09 for the Upper/Lower River Road Water and Sewer District (Cascade Co), Lorraine South WD, Lewis & Clark Co.-Woodlawn Park, and Dry Prairie Regional Water System.

4. To fund projects that address replacement of aging infrastructure. Montana anticipates funding at least eighteen projects of this type in SFY09.

   Twelve new projects were funded in SFY09 to replace aging infrastructure. These projects were the Town of Ekalaka, City of Great Falls, Lockwood W&SD, Panoramic WD, Town of Saco, City of Shelby (2 loans), Sunny Meadows WD, City of Thompson Falls, Town of Superior (2 loans-ARRA funding), and Goodan-Keil WD.

5. To fund projects that develop system sustainability through financial capacity by refinancing existing debt. At least three refinancing loans are expected in SFY09.

   Only one loan was closed in SFY09 to refinance debt previously incurred by the Town of Ekalaka to construct their water system improvements. However, several loans are anticipated in SFY10 for this purpose.

6. Ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities.

   The trained technical staff of the Planning, Prevention, and Assistance Division (PPAD) continues to use the DWSRF Handbook of Procedures and knowledge gained from many years of operating the WPCSRF Program to ensure that this objective is met. The Handbook of Procedures is used as a guide to ensure that all state and federal laws governing the technical aspects of each project are satisfied.

   Steps were taken to update the Handbook of Procedures and streamline checklists and processes. A final revised edition was submitted to EPA in September 2001. This project was completed in early SFY02. It was again reviewed and updated during SFY06.

Staff attends training seminars and workshops to maintain and improve technical, financial, and programmatic knowledge. In SFY09, Anna Miller, Pam Smith, Janice Yearry, Tricia Schiltz, Diana Hoy, Mo Leo, Bob Fischer, and Mark Smith attended the Council of Infrastructure Financing Authorities (CIFA) National Workshop; Anna Miller, Diana Hoy, Janice Yearry, Bob Fischer, Robert Ashton, Marc Golz and Mark Smith attended the Montana Rural Water Systems Conference; Gary Wiens, Robert Ashton, and Marc Golz attended the Montana AWWA Conference; Anna Miller attended the CIFA Legislative Conference.

7. To provide outreach to communities and utilize the set-aside funding by:

   a. providing technical assistance to water suppliers who request help with their system operation and maintenance procedures.

   b. providing financial and managerial assistance as part of capacity development education to those water supplies who request this type of help.

   c. assisting communities with the next phase of implementation of their Sourcewater/Wellhead Protection Plans.

   d. emphasizing that Public Water Supply Program (PWSP) staff perform sanitary surveys; facilitate SDWA compliance of the Long Term 2 Enhanced Surface Water Treatment, Stage 2 Disinfectant/Disinfection By-Products, Groundwater, and Arsenic Rules; and obtain SDWIS StateWeb 1 Release training.

   e. ensuring that 95 % or more of the state's community and non-transient non-community water systems continue to have certified operators.

   Please see discussion of individual set-aside activities and accomplishments beginning on page 12.

8. Ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.

   See Appendix A: Cash Flow Model SFY09.

9. Ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations.

   To the best of our knowledge, the DWSRF program has ensured Public Water Supply Supervision (PWSS) compliance through the projects that have been funded and the various set-aside activities. Close coordination with the PWSS program has been essential in this effort.

   The only exception is the project for the City of Boulder, which was funded in SFY 2000. The community historically had copper exceedances and was out of compliance with the Lead and Copper Rule. Extensive distribution system replacement was intended to mitigate the problem. Additional evaluation and corrective action are being performed at this time. The City has hired an engineer, who prepared a Preliminary Engineering Report (PER), and designed treatment processes and equipment for the system. Construction is scheduled to begin in November 2009.

## IV. FINANCIAL REPORTS

The Montana Legislative Audit Division (LAD) has completed their audit work for SFY08. Financial statements were presented to the Legislative Audit Committee (LAC). A qualified opinion was issued for the financial statements. A copy of the report was submitted to EPA Region VIII.

DEQ and DNRC engaged LAD to audit the State Revolving Fund financial activity beginning in SFY98. This decision was based on a new audit requirement conveyed in a directive from the Office of Water, Inspector General's Office, and the Office of Management and Budget.

The SFY09 un-audited financial statements, including footnotes are included as Appendix B. The SFY09 audit should be complete by May 2010.

## V. DETAILS OF DWSRF ACTIVITY

### A. LOAN ASSISTANCE

During SFY09 the DWSRF program closed twenty one loans; signed thirteen project binding commitment agreements; and increased four binding commitments. Twenty one new projects initiated construction and fifteen previous projects were completed. The rate of construction with respect to fund disbursements at fiscal year end was approximately 94% ($124.9M in disbursements and $132.8M in loans). The overall fund utilization rate is approximately 69% ($132.8M in loans, $192.2M in available funds).

**Project Bypass**

If it is determined by DEQ that a project or projects are not ready to proceed or that the project sponsors have chosen not to use the Drinking Water SRF funds, other projects may be funded in an order different from that indicated on the priority list. If DEQ chooses to bypass higher ranked projects, it should follow the bypass procedure.

Montana by passed 96 projects on its Priority List with the funding of the Panoramic Mountain River Heights WD, ranked 112. Fifteen other communities closed loans. The higher ranked projects were not ready to proceed at the time, or perhaps were being financed by other funding entities. They were by-passed to fund lower ranked projects that were ready to proceed with construction, or that had already been constructed and desired refinancing to improve financial capacity. Refer to Exhibit 3: DWSRF Capitalized Grant Closed Loans For SFY09 and Exhibit 4: DWSRF Recycled Closed Loans For SFY09. Notification was sent to all by-passed communities that described the proposed projects to be funded, and also included the assurance that funds were still available for all loan applications anticipated at that time. No responses were received. No emergency projects were funded in SFY09. The status of top individual projects on the priority list that were bypassed is discussed below.

1. Carter-Choteau Co. W&SD. The community applied for and received alternative state and federal grant funding, including Rural Development (RD). The original project has completed construction. To date, no other application or other information has been submitted to the SRF Program. It needs to be removed from the Priority List.

2. Hill County WD. System has agreed to a compliance schedule with DEQ Enforcement Division, which includes developing another surface water source. An SRF loan for these improvements was closed in SFY08 and they were also awarded a STAG grant. The project consisted of improvements to an alternate water source, which has been completed and placed in service. The district also plans to join the North Central/Rocky Boys Regional Water System when it is constructed in the future. This project can be removed from the Priority List.

3. Eastview Acres HOA. Status of project unknown.

4. South Chester WUA. System has been negotiating compliance schedule with DEQ Public Water Supply Program. They are exploring alternative grant funding and have received some, but more funds are needed. They are also planning to join the North Central/Rocky Boys Regional Water System when it is constructed in the future.

5. Town of Kevin. The community will receive ARRA funding for their project, which is expected to start construction in SFY10.

6. Upper/Lower River Road W&SD. Phase III improvements are being funded with ARRA funds and are expected to start construction in SFY10.

7. Butte-Silver Bow. Project will receive ARRA funds and construction is expected to start in SFY10.

8. Piegan Border Station. Status of project unknown.

9. Essex. System has been negotiating compliance schedule with DEQ Public Water Supply Program. They have received ARRA funding and construction is expected to begin in SFY10.

10. Town of Eureka. The community has had preliminary discussions with DWSRF personnel about funding in the last year, however, the current status of the project is unknown.

11. Gore Hill WD. The system is in the planning stages of it's project and has submitted a PER to DEQ for review.

12. City of Three Forks. This project is utilizing ARRA funds and construction is expected to begin in SFY10.

13. Town of Stevensville. System has prepared a preliminary engineering report (PER), and is pursuing grant funding for a portion of the project, but also still intends to utilize SRF funds. Construction is anticipated in 2010.

14. Town of Jordan. The community has obtained alternate funding sources and the project is under construction.

15. Dry Prairie Regional Water System. A DWSRF loan was closed in SFY09 for the current phase of the project. The system also received other ARRA funding (non SRF).

16. City of Kalispell. This project has been completed and removed from the Priority List.

17. Rocky Boys/North Central Regional Water System. Construction has started on this project utilizing other sources of funding, and it is anticipated that an SRF loan may be closed sometime during SFY10. The system also received other ARRA funding (non SRF).

18. Town of Clyde Park. The community has obtained alternate funding sources and the project is under construction.

19. City of Helena. This project started construction and closed an SRF loan late in SFY07. Construction of the project has been completed and the facilities are in operation. This project was removed from the Priority List for SFY10.

20. Lockwood Water District. The project closed SRF loans in SFY06 and SFY08. Construction has been completed and the project can be removed from the Priority List..

**Disadvantaged Communities**

Communities seeking a Drinking Water SRF loan that meet the disadvantaged community criteria described in the Intended Use Plan may receive an additional subsidy on their SRF loans, beyond the standard below-market rate financing. This includes communities that will meet the disadvantaged criteria based on projected rates as a result of the project.

In SFY09, Montana closed twelve loans at a 2.75% interest rate, for a total amount of $4,469,316. Three of those loans had a term greater than 20 years. One other community closed two loans utilizing ARRA funding, which had a 0.75% interest rate and a 0% interest rate with principal forgiveness.. No other communities satisfied the disadvantaged criteria. In SFY10 we will have several loans with communities that may qualify for the disadvantaged interest rate.

**Small Systems**

The table below shows the breakdown of the population served by our loans in SFY09. We had a total of twentyone loans for a total of $10,600,316. Nineteen of these loans are with small systems that serve a population of less than 10,000 people. Small systems represent 59% of the loans made in FY09**.**

| Public Water Supply | Population | Loan Amount |
|---|---|---|
| 1. Ekalaka | 410 | $290,800 |
| 2. Ekalaka | 410 | $313,000 |
| 3. Goodan-Keil WD | 238 | $475,000 |
| 4. Harlem IA | 848 | $500,000 |
| 5. Harlem IB | 848 | $621,000 |
| 6. Laurel IIIA | 6,255 | $500,000 |
| 7. Laurel IIIB | 6,255 | $190,000 |
| 8. Lewis & Clark-Woodlawn | 120 | $319,516 |
| 9. Lockwood W&SD | 5,983 | $600,000 |
| 10. Lorraine South WD | 28 | $142,000 |
| 11. Panoramic WD | 200 | $120,000 |
| 12. Saco | 199 | $520,000 |
| 13. Shelby | 3,200 | $500,000 |
| 14. Shelby | 3,200 | $150,000 |
| 15. Sunny Meadows WD | 150 | $180,000 |
| 16. Superior | 916 | $165,400 |
| 17. Superior | 916 | $132,600 |
| 18. Thompson Falls | 1,400 | $138,000 |
| 19. Upper Lower River Road | 327 | $365,000 |
| **TOTAL** | | **$6,222,316** |

## Summary of Loan Assistance:

A tabulation of aggregate information can be found in Exhibit 5, History of DWSRF Binding Commitments. This table tabulates the quarterly federal payments, totals quarterly SRF binding commitments and cumulative binding commitments, and calculates Montana's achievement of its 100% binding commitment grant condition. In fiscal year 2009, the DWSRF maintained steady performance by executing project commitment agreements. The DWSRF completed SFY09 with binding commitments totaling 161.87% based on grant payments received four quarters earlier. We project in SFY10 that we will execute in excess of $24,410,246 in binding commitments. See Exhibit 6: DWSRF Projected Binding Commitments SFY10.

## B. FIRST-ROUND FUNDED LOANS:

First-Round loans are financed with capitalization grants and state match. The DWSRF has financed the projects listed in Exhibit 3: DWSRF Capitalized Grant Closed Loans for SFY09.

## C. RECYCLED FUNDED LOANS:

Recycled loans are financed with loan repayments from first round money and funds from transfers from the WPCSRF program. The DWSRF has financed the projects listed in Exhibit 4: Recycled Closed Loans For SFY09. There was one loan made that used recycled funds in SFY09.

## D. SOURCE OF FUNDS:

Two sources of funds are used to capitalize the DWSRF: (1) the Federal Capitalization Grant, which provides 80% of the DWSRF loan funds; and (2) the state match, funded through the sale of GO bonds, which provides 20% of the DWSRF loan funds. State legislation originally authorized the sale of up to $10 million in GO bonds to match federal grant funds. In the 2003 Legislative session, an additional $10 million of GO bonds was authorized for state match bringing the total authorized to $30 million. This amount is adequate to cover funds currently authorized for the program. GO bonds, plus 2 RANs and a BAN, for a total of $19,295,000 have been issued by the DWSRF program to use as state matching funds through SFY09. See Exhibit 1: Sources of DWSRF Funds through SFY09. In SFY 09 in-kind services of $-0- have been provided to the DWSRF program by DNRC as match to federal grant funds and were used for program administration. Also, $11,282,486 of funds, have been transferred from the WPCSRF to the DWSRF for loans to date. See Exhibits 7 and 7A for a history of transferred funds between the two SRF programs.

The State of Montana adds a Loan Loss Reserve and an Administrative surcharge to its interest rate. The Loan Loss Reserve funds are used to fund the Required Reserve for the Drinking Water program bonds issued. Amounts over that required reserve are transferred to the principal account to be used for loans. The Administrative surcharge is used to fund administrative program costs not covered by the capitalization grants.

SFY 2009

Loan Loss Reserve funds collected: $764,659

Loan Loss Reserve funds transferred to Principal Account: $761,882

Administrative funds collected: $676,039

## E. FEDERAL FUNDS DRAWN BY THE PROGRAM:

Exhibit 8, SFY09 Summary of Drinking Water SRF Letter of Credit to ASAP Draws shows forty five disbursement requests totaling $6,703,258, twenty eight administrative set-aside disbursement requests totaling $357,600, and seventy three non-administrative set-aside requests totaling $1,198,205. The total federal draws for SFY 09 were $8,259,063.

## F. SET – ASIDES

DWSRF Budget and Draws by Set-Asides displays the financial summary of these non-project activities, see Exhibit 9. In addition, DEQ is required to provide a 1 to 1 match for the State Program Management set-asides, which includes Public Water Supply Administration, Source Water Protection, Operator Certification, and Capacity Development. Up to one half of this match may come from expenditures made in 1993. Exhibit 10 summarizes the 1 to 1 match for SFY09. All of the set-aside activities for the year are discussed below.

### DWSRF ADMINISTRATION

The DWSRF sets aside the maximum four percent from the capitalization grants for program administration. DEQ's contract with DNRC and other activities that occurred were:

- review and assistance during planning, design, project bidding and construction
- loan origination work, administering repayments
- preparation of bond issuance with state's bond counsel firm of Dorsey & Whitney
- financial modeling
- DWSRF program audit
- costs associated with the legislatively appointed advisory committee
- public comment processes

**SMALL SYSTEMS TECHNICAL ASSISTANCE**

Montana has set aside 2% (the maximum allowed) of its FFY97, FFY98, FFY99, and FFY03 Drinking Water State Revolving Loan Fund grants for small systems technical assistance. In addition, the DEQ has reserved authority for the 2% allocation from the FY00 and FY01 grants. No additional funds were set aside from the FY 02 grant. An additional $135,000 was set aside from the FY 04 grant, a $125,000 from the FY 05 grant, $20,000 from the FY 06 grant, and $95,000 from the FY07 grant, $90,000 from the FY08 grant, and $125,000 from the FY09 grant for a total of $1,303,226.

This set-aside is used for contracted services and administration of contracts to meet Montana's goal of providing technical assistance to water supplies with their system operation and maintenance procedures. A contract was awarded in 1999 to Midwest Assistance Program (MAP) of Montana to provide operation and maintenance technical assistance. The O&M TA contract was re-bid in 2005 and was again awarded to MAP. Since implementation, the contractor has made over 1,250 site visits to small public water supplies for a total cost of approximately $1,120,000. Evaluations of this service, conducted annually by DEQ, indicate the program is successfully helping small public water suppliers to effectively maintain and operate their water systems. Contracted technicians help water system operators develop or enhance technical capabilities that assist them in meeting the capacity development requirements of the 1996 amendments to the Safe Drinking Water Act.

An evaluation of the contract by DEQ DWSRF staff in May and June 2008 determined that the contract should be continued. The contract was renewed for state fiscal year 2010 (July 2009 through June 2010). The contracted services are provided to systems serving a population of 10,000 or less. Approximately 0.05 FTE is needed to provide contract oversight related to this set-aside, however, only 0.02 FTS was budgeted in SFY2010 due to funding constraints.

**PUBLIC WATER SUPPLY SUPERVISION SET-ASIDE: ADMINISTRATION**

This set-aside funded salaries, benefits, and operating expenses for 3.90 environmental science specialists and 0.84 administrative personnel (partial FTE of bureau chief and program managers) assigned to the Helena, Billings, and Kalispell Offices. The positions were funded through the set-aside grants for SFY06, SFY07, and SFY08. The environmental science specialist positions provided technical assistance to water suppliers, performed sanitary surveys, and operator training. These positions also provided direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, Total Coliform Rule, Consumer Confidence Report Rule, Long Term Enhanced Surface Water Treatment Rules, Filter Backwash Rule, Disinfection/Disinfection By-Products Rule, Radionuclides Rule, and the state's ground water chlorination rule. The set-aside also funded database development expenses associated with implementation and maintenance of SDWIS/state database, associated state-specific Oracle modules, and contracted sanitary surveys for public water supplies. All of these activities helped the PWSS Program achieve its over all goal of facilitating SDWA

compliance by public water systems.

**PWSS SOURCE WATER PROTECTION (SWP)**

Section 1452(g) (2) (B) of the SDWA allows Montana to set aside a portion of the capitalization grant to "administer or provide technical assistance through source water assessment programs." Set-aside funds were used in State FY09 to administer the Source Water Protection Program and to provide technical assistance to local communities in the development of source water protection plans.

The specific goals achieved established in the Intended Use Plan and set-aside work plan in State FY09 were:

- The spatial data clearinghouse was provided with updated datasets.
- Section staff participated in DEQ organized training events as presenters on source water protection issues at each spring, summer, and fall water schools.
- Section staff maintained an Internet page to provide access to information that is important to understanding public water systems, ground water, and source water protection. SWP Section staff provided several articles for the PWS Operator newsletter entitled "*The Montana Clearwater*".
- Section staff published source water assessment reports on a weekly basis.
- Section staff authored or provided significant input in the development of several source water assessment reports for new PWS sources. These were limited to non-profit PWSs (churches) and workload was 6 reports during the year.
- Section staff provided technical support to a non-profit technical assistance provider relating to source water protection plan development (Montana Rural Water). Three protection plans were reviewed with edits returned to MRWS. Protection plans were finalized.
- A cooperative source water protection plan development project continued with the City of Hamilton and the Ravalli County Environmental Health Department. A VISTA volunteer recruitment effort was developed. A second household hazardous waste collection day was supported in this community. The VISTA recruitment ended when the sponsor announced all funds had been obligated. The project will continue into SFY10 through the county environmental health department.

**CAPACITY DEVELOPMENT**

The 1996 Amendments to the Safe Drinking Water Act allow states to use SRF funds to establish authority to enforce capacity requirements and to implement a capacity development strategy. This ensures that all new and existing community and non-transient non-community public water supply systems have the necessary technical, financial and managerial capability to comply with all of the primary requirements of the SDWA. EPA also requires that systems demonstrate adequate capacity in these areas as a condition of approval for Drinking Water SRF loans.

The state could have lost substantial portions of initial capitalization grants if it did not develop and implement strategies to assist existing water systems with capacity development. DEQ avoided the first of these withholding provisions by obtaining approval in 2000 of the state's Capacity Development Strategy for Existing Public Water Supply Systems. Subsequent withholding provisions of future capitalization grants can be avoided by adhering to the approved strategy and complying with the requirements for reporting capacity development improvements to the EPA.

The strategies are a methodology used to identify and prioritize public water systems in need of improving technical, financial, and managerial capacity (a complete copy of the capacity development strategies can be obtained from DEQ). Part of these strategies includes providing assistance to those systems by use of the set-aside funding. The state of Montana has over 1900 public water supplies. Given the large number of systems and a shortage of staff with the requisite financial and managerial experience, the department has chosen to provide these services through a contractor. The department entered into a contract with the Midwest

Assistance Program (MAP) in March 2001 to provide these assistance services. Since then, MAP has provided in-depth financial and managerial services to 159 different public water systems. During SFY09, MAP spent 1163 hours performing 105 site visits at a cost of approximately $74,665.

In March 2006 a new request for proposals was issued and the Midwest Assistance Program was again selected to provide financial and managerial assistance services. This new contract, which took effect in July 2006, may be renewed annually, at the discretion of DEQ, for up to a total of seven years.

These activities achieved the outputs specified in the state's intended use and set-aside work plans by providing assistance to public water systems in need of financial and managerial support. The success of these efforts is documented by the summary reports submitted by the contractor and the consistently favorable response to questionnaires sent to public water systems receiving aid.

**PWSS OPERATOR CERTIFICATION**

This set-aside has been used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for both full-time staff positions and the program manager, as well as program operating expenses.

In the past year, the program has approximately 1,603 certified operators, including operators for approximately 683 community systems and 256 non-transient non-community systems. These water and wastewater operators hold over 3,396 certifications. Certification program activities include public outreach, collection and processing of applications, collection and processing of examination and certification fees, training, administration of exams, monitoring of continuing education credits, compliance monitoring, and assistance with formal enforcement activities. Over 98% of the public water supply systems in each category have properly certified operators, which achieves Montana's IUP goal of 95%.

The Certification Program Manager sent the draft program to EPA Region VIII and Headquarters in October of 1999 and the program was formally approved in December 2000. The latest approval of Montana's Operator Certification Program annual submittal package was received from EPA on October 5, 2005. Positive feedback for the program has been received from both EPA Region VIII and Headquarters.

The DEQ requested and received approval for spending authority from the 2001 state legislature for very small water system expense reimbursement grant funding. EPA approved the grant application, and the reimbursement program began making reimbursements in October of 2002. Expenses associated with mandatory training qualified operators attended after July 1, 2002 are eligible for reimbursement. EPA has granted an extension of the funds through June 30, 2012 in the last approved work plan in April 2009.

The department has completed the transition of current water exams to standardized Association of Boards of Certification (ABC) water treatment and water distribution examinations. The Department will continue to track progress and evaluate statistical data to ensure that the program administers valid, comprehensive, and fair examinations.

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**LOCAL ASSISTANCE AND OTHER STATE PROGRAMS - SOURCE WATER DELINEATION AND ASSESSMENT AND WELLHEAD PROTECTION**

Implementation of the Montana SWP Program continued in SFY09 through the completion of source water assessment reports for public water supplies by DEQ staff.

The specific goals achieved established in the Intended Use Plan and set-aside work plan in State FY09 were:

- Fifty-six new PWS drinking water sources were developed. Source water assessments were reviewed for each of these new drinking water sources.
- Section staff participated in DEQ organized training events as presenters on GW Basics at each spring, summer, and fall water schools.
- Section staff completed 30 sanitary surveys and verified PCS inventories, and
- Well and Septic System O&M training provided to small PWS operators, licensed well drillers, Realtors®, and citizens at 12 locations across the state.

## VI. GRANT CONDITIONS AND CERTIFICATIONS

The State of Montana agreed to the following conditions outlined in the Operating Agreement. These items are discussed in more detail throughout the body of this report. To the best of our knowledge, DEQ and DNRC have abided by all requirements of state and federal law in the administration of this program.

(a) Assurance that the State has the authority to establish a Fund and operate the DWSRF program in accordance with SDWA.

The State of Montana's authority was re-certified and included with our application for and award of the FFY09 capitalization grant.

(b) Assurance that the State will comply with State Statutes and regulations.

(c) Assurance that the State has the technical capability to operate the program.

(d) Assurance that the State will accept capitalization grant funds in accordance with a payment schedule.

Please see Exhibit 9: Drinking Water State Revolving Fund Fiscal Year 2009 Budget v. Draw by Category.

(e) Assurance that the State will deposit all capitalization grant funds in the Fund or Set-Aside Account.

(f) Assurance that the State will provide an amount equal to at least 20 percent of the capitalization grant (State match) in the Fund.

(g) Assurance that the State will deposit net bond proceeds, interest earnings, and repayments into the Fund.

(h) Assurance that the State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.

(i) Assurance that the State will use Generally Accepted Accounting Principles.

(j) Assurance that the State will have the Fund and set-aside account audited annually in accordance with Generally Accepted Government Auditing Standards.

Please see Appendix B.

(k) Assurance that the State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of privately owned system, demonstrate that there is adequate security).

(l) Assurance that the State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.

(m) Assurance that funds will be used in accordance with the Intended Use Plan.

Please see Appendix C: Drinking Water SRF Intended Use Plan and Project Priority List, SFY 2009.

(n) Assurance that the State will provide EPA with a Biennial Report.

The submission of this document will fulfill the State of Montana's responsibility to submit a report.

(o) Assurance the State will comply with all Federal crosscutting authorities.

(p) The state agrees that it will conduct an environmental review and a determination will be executed and distributed using a state process consisting of the same level of environmental detail required under the state Environmental Review Process for the Drinking Water SRF Program.

All construction projects that received assistance during SFY09 were reviewed and approved using the Montana Environmental Policy Act (MEPA). It was determined that no Environmental Impact Statements were necessary. A Categorical Exclusion was either granted or an Environmental Assessment was prepared and a Finding of No Significant Impact was issued for all projects.

(q) The use of set-asides for Administrative Expenses, Small Systems Technical Assistance, State Program Management (Public Water Supply Supervision, Source Water Protection, Capacity Development, and Operator Certification), Local Assistance and Other State Programs (Source Water Delineation) will be identified each year in the IUP and established in accordance with the Drinking Water SRF Program Guidelines.

(r) Specific Requirements under Title XIV

1. In accordance with Section 1420(a) of the Safe Drinking Water Act, the state has the authority to ensure that all new community water systems and new non-transient, non-community water systems commencing operation after October 1, 1999, can demonstrate technical, managerial, and financial capability with respect to each national primary drinking water regulation in effect.

   EPA has reviewed and approved Montana's capacity development authority and strategies. Administrative Rules that implement Montana's strategies became effective on September 10, 1999.

2. The state currently has a water and wastewater treatment plant operators certification program within the Permitting and Compliance Division, Department of Environmental Quality.

In addition, the following conditions were given with the Capitalization Grant Award. To the best of our knowledge, DEQ and DNRC have abided by these requirements as well.

- The recipient agrees to ensure that all space for conferences, meetings, conventions, or training funded in whole or in part with Federal funds complies with the Hotel and Motel Fire and Safety Act of 1990.

- EPA Order 1000.25 Recycled Paper-DEQ is using recycled paper for printing reports to be delivered to EPA.

- Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Utilization Under Federal Grants – During SFY09 loan recipients were required to comply with all Federal requirements concerning Disadvantaged Business Enterprises (DBE) Utilization either by project specification or submitting appropriate reports during construction.

- The state's fair share goal for DBE participation is 5% for SFY09 (2% MBE, 3% WBE). Refer to Exhibit 11 for the summary of the DWSRF Loans-MBE/WBE for contracts awarded during SFY09.

## VII. CURRENT STATUS AND FUTURE ACTIVITIES

The DWSRF continues to use US Bank as its trustee to manage funds and accounts established under the program. To date this arrangement has been very beneficial. DNRC has internet access to US Bank accounts, which has made monthly reconciliation of WPCSRF and DWSRF accounts more timely. D.A. Davidson and Co. and Piper Jaffray Inc. continue to act as the DWSRF bond underwriters and financial advisors. Dorsey & Whitney will continue to act as DWSRF bond counsel for the general obligation bonds issued in future fiscal years.

DEQ has completed work on the project database, which may ultimately include links with the DWSRF, the PWSS program, and fiscal services in both DEQ and DNRC. The DEQ's Technical and Financial Assistance Bureau has 0.05 FTE budgeted for maintaining the WPCSRF and DWSRF databases. This person serves as liaison between SRF program staff and DEQ's data processing and IT staff. The databases again facilitated federal reporting during SFY 09.

The following schedule indicates the key dates for continuation of the Drinking Water State Revolving Fund Loan Program in SFY10:

| **SFY10 ESTIMATED KEY DATES** | **ACTIVITY** |
|---|---|
| July 2009 | Held DWSRF bi-monthly meeting |
| September 2009 | Held DWSRF bi-monthly meeting |
| November 2009 | Attended Fall CIFA Conference |
| November 2009 | Held DWSRF bi-monthly meeting |
| January 2010 | Hold DWSRF bi-monthly meeting |
| March 2010 | Hold DWSRF bi-monthly meeting |
| Spring 2010 | Hold infrastructure financing workshops to promote and market DWSRF program |
| May 2010 | Hold DWSRF bi-monthly meeting |
| May 2010 | Attend Spring CIFA Conference |

## VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS

| | |
|---|---|
| **ARRA** | American Recovery and Reinvestment Act of 2009 |
| **ASAP** | Automated Standard Application for Payments |
| **AWWA/MWEA** | American Water Works Association/Montana Water Environment Association |
| **BAN** | Bond Anticipation Note |
| **CIFA** | Council of Infrastructure Financing Authorities |
| **DBE** | Disadvantaged Business Enterprises |
| **DEQ** | Montana Department of Environmental Quality |
| **DNRC** | Montana Department of Natural Resources and Conservation |
| **DWSRF** | Drinking Water State Revolving Fund |
| **EPA** | Environmental Protection Agency |
| **FFY** | Federal Fiscal Year (which begins October 1 and ends September 30) |
| **GAN** | Grant Anticipation Note |
| **GO** | General Obligation |
| **IUP** | Intended Use Plan |
| **LT2ESWTR** | Long Term 2 Enhanced Surface Water Treatment Rule |
| **LAC** | Legislative Audit Committee |
| **LAD** | Legislative Audit Division |
| **MBE** | Minority Business Enterprises |
| **MPDES** | Montana Pollution Discharge Elimination System |
| **NPS** | Non-point Source |
| **NMP** | National Municipal Policy |
| **PPAD** | Planning, Prevention and Assistance Division |
| **PPL** | Project Priority List |
| **PWSS** | Public Water Supply Supervision |
| **RAN** | Revenue Anticipation Note |
| **RSID** | Rural Special Improvement District |
| **SDWA** | Safe Drinking Water Act |
| **SFY** | State Fiscal Year (which begins July 1 and ends June 30) |
| **SID** | Special Improvement District |
| **SDWIS** | State Drinking Water Information System |
| **SWP** | Source Water Protection |
| **TFAB** | Technical and Financial Assistance Bureau |

| | |
|---|---|
| **TSEP** | Treasure State Endowment Program |
| **$W_2$ASACT** | Water, Wastewater and Solid Waste Action Coordinating Team |
| **WBE** | Women Business Enterprises |
| **WPCSRF** | Water Pollution Control State Revolving Fund |

## EXHIBIT 1: SOURCES OF DWSRF FUNDS THROUGH SFY 09

| Grant Number, Award Date & Year Funds Appropriated | State Fiscal Year Activity | Cap. Grant Amount | Projected State Match | Project Commitments by Fiscal Year | | Actual State Match GO Bonds Issues | Other State Match |
|---|---|---|---|---|---|---|---|
| 1) FS-998850-97<br>6/30/98; 1997 | 1998 | $ 14,826,200 | $ - | $ - | | $ - | |
| No Grants awarded in SFY99 | 1999 | $ - | $ 2,965,240 | $ 24,274,000 | (1) * | $ 3,065,000 | |
| 2) FS-998850-98<br>7/26/99; 1998 | 2000 | $ 7,121,300 | $ 1,424,260 | | | $ - | |
| 3) FS-998850-99<br>9/14/99; 1999 | | $ 7,463,800 | $ 1,492,760 | $ 15,073,701 | (2) | $ 2,990,000 | |
| 4) FS-998850-00<br>10/02/00; 2000 | 2001 | $ 7,757,000 | $ 1,551,400 | | | $ - | |
| 5) FS-998850-01<br>05/21/01; 2001 | | $ 7,789,100 | $ 1,557,820 | $ 11,204,000 | (3) | $ 3,190,000 | $ 26,986 |
| 6) FS-998850-02<br>02/21/02; 2002 | 2002 | $ 8,052,500 | $ 1,610,500 | $ 3,495,000 | | $ - | $ 145,660 |
| No Grants awarded in SFY03 | 2003 | $ - | | $ 9,090,000 | (4) | $ 1,675,000 | $ 266,627 |
| 7) FS-998850-03<br>07/16/03 (set asides) & 6/28/04 (grant); 2003 | 2004 | $ 8,004,064 | $ 1,600,813 | $ 8,180,780 | | $ - | $ 331,226 |
| 8) FS-998850-05<br>08/16/04 (04 set asides), 6/16/05 (2004 & 2005 grants & 2005 set asides) | 2005 | $ 16,588,524 | $ 3,317,705 | $ 12,683,000 | (5) | $ 3,875,000 | $ 421,554 |
| 8) FS-998850-05<br>8/5/05 Transfer to WPCSRF; 2005 | 2006 | $ (5,000,000) | | | | | |
| 9) FS-998850-06<br>5/17/06; 2006 | | $ 8,229,300 | $ 1,645,860 | $ 24,929,596 | | $ - | $ 1,095,911 |
| 10) FS-998850-07<br>6/5/07; 2007 | 2007 | $ 8,229,000 | $ 1,645,800 | $ 17,007,000 | | $ - | $ 552,917 |
| 11) FS-998850-08<br>6/5/07; 2008 | 2008 | $ 8,146,000 | $ 1,629,200 | $ 15,156,160 | (6) | $ 1,500,000 | $ 720,991 |
| 11) FS-998850-08<br>3/12/09 Transfer to WPCSRF; 2008 | 2009 | $ (5,000,000) | | | | | |
| 12) 2F-97879201<br>5/18/09; ARRA | | $ 19,500,000 | $ - | $ 18,444,800 | (7) | $ 3,000,000 | $ 761,882 |
| **TOTAL** | | $ 111,706,788 | $ 20,441,358 | $ 159,538,037 | | $ 19,295,000 | $ 4,323,754 |

*Bond Anticipation Note issued 7-31-98 for $1,000,000, paid off by GO Bond for $3,065,000 issued 10-1-98

1) First General Obligation Bond Issued October 1, 1998 for $3,065,000

2) Second General Obligation Bond Issued April 15, 2000 for $2,990,000

3) Third General Obligation Bond Issued June 15, 2001 for $3,190,000

4) Fourth General Obligation Bond Issued June 15, 2003 for $1,675,000

5) Fifth General Obligation Bond Issued April 19, 2005 for $3,875,000

6) Bond Anticipation Note (BAN) 8/10/07 $500,000 & Revenue Anticipation Note (RAN) 4/15/08 $1,000,000

7) Revenue Anticipation Note (RAN) 4/3/09 $3,000,000

## EXHIBIT 2: DWSRF BINDING COMMITMENTS EXECUTED SFY 09

| Public Entity | Type of Security | B.C. Date | B.C. Amount | Bond Amount | Total Drawn | Balance Remaining | Closing Date | Gross interest | Net Interest | Term |
|---|---|---|---|---|---|---|---|---|---|---|
| **Regular SRF Commits** | | | | | | | | | | |
| Belgrade C | Revenue | 5/19/2009 | $ 426,000.00 | | | $ - | | 3.75% | 2.00% | 20 |
| Billings C | Revenue | 2/26/2009 | $ 2,750,000.00 | | | $ - | | 3.75% | 2.00% | 20 |
| Billings Zone 4 tank | Revenue | 5/19/2009 | $ 8,387,000.00 | | | $ - | | 3.75% | 2.00% | 20 |
| Dry Prairie III | Revenue | 2/25/2009 | $ 368,000.00 | $ 368,000.00 | $ 158,464.00 | $ 209,536.00 | 4/14/2009 | 2.75% | 2.00% | 9.5 |
| Ekalaka (inc)* | Revenue | 10/14/2008 | $ 3,800.00 | $ 313,000.00 | $ 181,018.00 | $ 131,982.00 | 10/14/2008 | 2.75% | 2.00% | 21 |
| Laurel III-A | Revenue | 1/14/2009 | $ 500,000.00 | $ 500,000.00 | $ 500,000.00 | $ - | 3/3/2009 | 2.75% | 2.00% | 20 |
| Laurel III-B | Revenue | 1/14/2009 | $ 190,000.00 | $ 190,000.00 | $ 61,042.00 | $ 128,958.00 | 6/17/2009 | 3.75% | 2.00% | 20 |
| Lewis & Clark Woodlawn (inc) | RID | 12/17/2008 | $ 25,000.00 | $ 319,516.00 | $ 319,516.00 | $ - | 12/22/2008 | 2.75% | 2.00% | 20 |
| Saco | Revenue | 8/25/2008 | $ 520,000.00 | $ 520,000.00 | $ 236,131.00 | $ 283,869.00 | 12/12/2008 | 2.75% | 2.00% | 26 |
| Total Regular SRF | | | $ 13,169,800.00 | $ 2,210,516.00 | $ 1,456,171.00 | $ 754,345.00 | | | | |

* Increase or decrease to a prior fiscal year binding commitment
Ekalala original commit on 12/28/07. Increase 10/14/08. Total commit $313,000

# DWSRF SFY09 BINDING COMMITMENTS EXECUTED (continued)

| Public Entity | Type of Security | B.C. Date | B.C. Amount | Bond Amount | Total Drawn | Balance Remaining | Closing Date | Gross interest | Net Interest | Term |
|---|---|---|---|---|---|---|---|---|---|---|
| **ARRA Commits** | | | | | | | | | | |
| Belgrade A | Revenue | 5/19/2009 | $ 416,300.00 | | | | | 0.00% | 0.00% | 0 |
| Belgrade B | Revenue | 5/19/2009 | $ 333,700.00 | | | | | 0.75% | 0.75% | 20 |
| Billings A | Revenue | 2/26/2009 | $ 416,300.00 | | | | | 0.00% | 0.00% | 0 |
| Billings B | Revenue | 2/26/2009 | $ 333,700.00 | | | | | 1.75% | 1.75% | 20 |
| Columbus A | Revenue | 1/26/2009 | $ 416,300.00 | | | | | 0.00% | 0.00% | 0 |
| Columbus B | Revenue | 1/26/2009 | $ 333,700.00 | | | | | 1.75% | 1.75% | 20 |
| Glendive A | Revenue | 6/11/2009 | $ 198,100.00 | | | | | 0.00% | 0.00% | 0 |
| Glendive B | Revenue | 6/11/2009 | $ 158,900.00 | | | | | 1.75% | 1.75% | 20 |
| Great Falls A | Revenue | 6/11/2009 | $ 416,300.00 | | | | | 0.00% | 0.00% | 0 |
| Great Falls B | Revenue | 6/11/2009 | $ 333,700.00 | | | | | 1.75% | 1.75% | 20 |
| Manhattan A | Revenue | 7/10/2008 | $ 219,200.00 | | | | | 0.00% | 0.00% | 0 |
| Manhattan B | Revenue | 7/10/2008 | $ 175,800.00 | | | | | 1.75% | 1.75% | 20 |
| Seeley Lake A (inc)* | Revenue | 5/16/2009 | $ 416,300.00 | | | | | 0.00% | 0.00% | 0 |
| Seeley Lake B (inc)* | Revenue | 5/16/2009 | $ 333,700.00 | | | | | 1.75% | 1.75% | 20 |
| Total ARRA | | | $ 4,502,000.00 | $ - | $ - | $ - | | | | |
| | | | | | | | | | | |
| **Prior Year Regular SRF Commits Changed to ARRA Funding** | | | | | | | | | | |
| Elk Meadows A | GO | 12/11/2007 | $ 263,625.00 | | | $ - | | 0.00% | 0.00% | 0 |
| Elk Meadows B | GO | 12/11/2007 | $ 211,375.00 | | | $ - | | 0.75% | 0.75% | 20 |
| Superior A | Revenue | 6/20/2007 | $ 165,400.00 | $ 165,400.00 | $ 54,483.00 | $ 110,917.00 | 6/30/2009 | 0.00% | 0.00% | 0 |
| Superior B | Revenue | 6/20/2007 | $ 132,600.00 | $ 132,600.00 | $ 43,684.00 | $ 88,916.00 | 6/30/2009 | 0.75% | 0.75% | 20 |
| Total Prior Year Changed to ARRA | | | $ 773,000.00 | $ 298,000.00 | $ 98,167.00 | $ 199,833.00 | | | | |
| Total ARRA Commits | | | $ 5,275,000.00 | $ 298,000.00 | $ 98,167.00 | $ 199,833.00 | | | | |
| **Total Committed** | | | $ 18,444,800.00 | $ 2,508,516.00 | $ 1,554,338.00 | $ 954,178.00 | | | | |

* Increase or decrease to a prior fiscal year binding commitment
Seeley Lake original commit on 3/31/08. Increase 5/16/09 $724,000. Total commit $3,445,000 - $750,000 ARRA, $2,695,000 regular SRF.

## EXHIBIT 3: DWSRF CAPITALIZED GRANT CLOSED LOANS FOR SFY 09

| Public Entity | Type of Security | B.C. Date | B.C. Amount | Loan Amount | Total Drawn | Balance Remaining | Closing Date | Gross interest |
|---|---|---|---|---|---|---|---|---|
| Dry Prairie III | Revenue | 2/25/2009 | $ 368,000.00 | $ 368,000.00 | $ 158,464.00 | $ 209,536.00 | 4/14/2009 | 2.75% |
| Ekalaka | Revenue | 12/28/2007 | $ 313,000.00 | $ 313,000.00 | $ 181,018.00 | $ 131,982.00 | 10/14/2008 | 2.75% |
| Ekalaka Refinance | Revenue | 12/28/2007 | $ 290,800.00 | $ 290,800.00 | $ 290,800.00 | $ - | 10/14/2008 | 2.75% |
| Great Falls II | Revenue | 4/7/2008 | $ 4,010,000.00 | $ 4,010,000.00 | $ 1,166,826.00 | $ 2,843,174.00 | 7/17/2008 | 3.75% |
| Harlem I-A | Revenue | 9/13/2007 | $ 500,000.00 | $ 500,000.00 | $ 498,636.00 | $ 1,364.00 | 2/25/2009 | 2.75% |
| Harlem I-B | Revenue | 9/13/2007 | $ 621,000.00 | $ 621,000.00 | $ 35,003.00 | $ 585,997.00 | 6/8/2009 | 3.75% |
| Laurel III - A | Revenue | 1/14/2009 | $ 500,000.00 | $ 500,000.00 | $ 500,000.00 | $ - | 3/3/2009 | 2.75% |
| Laurel III - B | Revenue | 1/14/2009 | $ 190,000.00 | $ 190,000.00 | $ 61,042.00 | $ 128,958.00 | 6/17/2009 | 3.75% |
| Lewis & Clark County - Woodlawn | RID | 6/4/2007 | $ 421,000.00 | $ 319,516.00 | $ 319,516.00 | $ - | 12/22/2008 | 2.75% |
| Lockwood | Revenue | 12/4/2006 | $ 600,000.00 | $ 600,000.00 | $ 449,147.00 | $ 150,853.00 | 10/2/2008 | 3.75% |
| Missoula County - Lorraine South | RSID | 3/9/2007 | $ 142,000.00 | $ 142,000.00 | $ 142,000.00 | $ - | 11/18/2008 | 3.75% |
| Panoramic | Revenue | 6/19/2007 | $ 120,000.00 | $ 120,000.00 | $ 120,000.00 | $ - | 8/13/2008 | 3.75% |
| Saco | Revenue | 8/25/2008 | $ 520,000.00 | $ 520,000.00 | $ 236,131.00 | $ 283,869.00 | 12/12/2008 | 2.75% |
| Shelby | Revenue | 10/24/2007 | $ 500,000.00 | $ 500,000.00 | $ 460,982.00 | $ 39,018.00 | 11/5/2008 | 2.75% |
| Shelby | Revenue | 10/24/2007 | $ 150,000.00 | $ 150,000.00 | $ 150,000.00 | $ - | 1/8/2009 | 3.75% |
| Sunny Meadows | Revenue | 11/2/2006 | $ 200,000.00 | $ 180,000.00 | $ 173,395.00 | $ 6,605.00 | 8/20/2008 | 2.75% |
| Thompson Falls | Revenue | 7/13/2007 | $ 138,000.00 | $ 138,000.00 | $ 128,694.00 | $ 9,306.00 | 7/22/2008 | 2.75% |
| Upper Lower River Rd II | Revenue | 3/28/2007 | $ 618,000.00 | $ 365,000.00 | $ 365,000.00 | $ - | 6/10/2009 | 2.75% |
| Total Regular WRF | | | $ 10,201,800.00 | $ 9,827,316.00 | $ 5,436,654.00 | $ 4,390,662.00 | | |
| | | | | | | | | |
| **ARRA** | | | | | | | | |
| Superior ARRA A | Revenue | 6/20/2007 | $ 165,400.00 | $ 165,400.00 | $ 54,483.00 | $ 110,917.00 | 6/30/2009 | 0.00% |
| Superior ARRA B | Revenue | 6/20/2007 | $ 132,600.00 | $ 132,600.00 | $ 43,684.00 | $ 88,916.00 | 6/30/2009 | 0.75% |
| Total ARRA | | | $ 298,000.00 | $ 298,000.00 | $ 98,167.00 | $ 199,833.00 | | |
| | | | | | | | | |
| **Closed Loans** | | | $ 10,499,800.00 | $ 10,125,316.00 | $ 5,534,821.00 | $ 4,590,495.00 | | |

## EXHIBIT 4: DWSRF RECYCLED CLOSED LOANS FOR SFY 09

| Public Entity | Type of Security | B.C. Date | B.C. Amount | Loan Amount | Total Drawn | Balance Remaining | Closing Date | Gross interest |
|---|---|---|---|---|---|---|---|---|
| Goodan-Keil | Revenue | 10/18/2007 | $ 500,000.00 | $ 475,000.00 | $ 474,999.00 | $ 1.00 | 9/25/2008 | 2.75% |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| **Closed Loans** | | | $ 500,000.00 | $ 475,000.00 | $ 474,999.00 | $ 1.00 | | |

## EXHIBIT 5: HISTORY OF DWSRF BINDING COMMITMENTS

| Federal Fiscal QTR/YR | State Fiscal Year | Qtr | Grant Payments | Cumulative Payments | Binding Commitment | Fiscal Year Binding Commitment | Cumulative Binding Commitment | BC/Payments One Year Earlier |
|---|---|---|---|---|---|---|---|---|
| 4Q FFY99 | SFY00 | 1 | $ 7,777,812 | $ 22,872,060 | $ 4,193,000 | | $ 28,467,000 | |
| 1Q FFY00 | SFY00 | 2 | | $ 22,872,060 | $ 3,832,000 | | $ 32,299,000 | 213.98% |
| 2Q FFY00 | SFY00 | 3 | | $ 22,872,060 | $ 2,321,373 | | $ 34,620,373 | 229.36% |
| 3Q FFY00 | SFY00 | 4 | | $ 22,872,060 | $ 4,727,328 | $ 15,073,701 | $ 39,347,701 | 260.68% |
| 4Q FFY00 | SFY01 | 1 | $ 8,173,932 | $ 31,045,992 | $ 1,250,000 | | $ 40,597,701 | 177.50% |
| 1Q FFY01 | SFY01 | 2 | | $ 31,045,992 | $ 2,265,000 | | $ 42,862,701 | 187.40% |
| 2Q FFY01 | SFY01 | 3 | | $ 31,045,992 | $ 2,893,000 | | $ 45,755,701 | 200.05% |
| 3Q FFY01 | SFY01 | 4 | | $ 31,045,992 | $ 4,796,000 | $ 11,204,000 | $ 50,551,701 | 221.02% |
| 4Q FFY01 | SFY02 | 1 | $ 8,648,120 | $ 39,694,112 | $ 1,641,000 | | $ 52,192,701 | 168.11% |
| 1Q FFY02 | SFY02 | 2 | | $ 39,694,112 | $ 1,066,000 | | $ 53,258,701 | 171.55% |
| 2Q FFY02 | SFY02 | 3 | | $ 39,694,112 | $ 604,000 | | $ 53,862,701 | 173.49% |
| 3Q FFY02 | SFY02 | 4 | $ 8,910,356 | $ 48,604,468 | $ 184,000 | $ 3,495,000 | $ 54,046,701 | 174.09% |
| 4Q FFY02 | SFY03 | 1 | | $ 48,604,468 | $ 2,500,000 | | $ 56,546,701 | 142.46% |
| 1Q FFY03 | SFY03 | 2 | | $ 48,604,468 | $ 887,000 | | $ 57,433,701 | 144.69% |
| 2Q FFY03 | SFY03 | 3 | $ 8,805,900 | $ 57,410,368 | $ 4,703,000 | | $ 62,136,701 | 156.54% |
| 3Q FFY03 | SFY03 | 4 | | $ 57,410,368 | $ 1,000,000 | $ 9,090,000 | $ 63,136,701 | 129.90% |
| 4Q FFY03 | SFY04 | 1 | | $ 57,410,368 | $ 1,384,000 | | $ 64,520,701 | 132.75% |
| 1Q FFY04 | SFY04 | 2 | | $ 57,410,368 | $ 1,229,000 | | $ 65,749,701 | 135.28% |
| 2Q FFY04 | SFY04 | 3 | | $ 57,410,368 | $ 3,355,780 | | $ 69,105,481 | 120.37% |
| 3Q FFY04 | SFY04 | 4 | $ 8,574,713 | $ 65,985,081 | $ 2,212,000 | $ 8,180,780 | $ 71,317,481 | 124.22% |
| 4Q FFY04 | SFY05 | 1 | | $ 65,985,081 | $ 565,000 | | $ 71,882,481 | 125.21% |
| 1Q FFY05 | SFY05 | 2 | | $ 65,985,081 | $ (45,000) | | $ 71,837,481 | 125.13% |
| 2Q FFY05 | SFY05 | 3 | | $ 65,985,081 | $ 4,587,000 | | $ 76,424,481 | 133.12% |
| 3Q FFY05 | SFY05 | 4 | $ - | $ 65,985,081 | $ 7,576,000 | $ 12,683,000 | $ 84,000,481 | 127.30% |
| 4Q FFY05 | SFY06 | 1 | | $ 65,985,081 | $ 19,032,596 | | $ 103,033,077 | 156.15% |
| 1Q FFY06 | SFY06 | 2 | | $ 65,985,081 | $ 179,000 | | $ 103,212,077 | 156.42% |
| 2Q FFY06 | SFY06 | 3 | | $ 65,985,081 | $ 638,000 | | $ 103,850,077 | 157.38% |
| 3Q FFY06 | SFY06 | 4 | $ 11,505,685 | $ 77,490,766 | $ 5,080,000 | $ 24,929,596 | $ 108,930,077 | 165.08% |
| 4Q FFY06 | SFY07 | 1 | | $ 77,490,766 | $ 100,000 | | $ 109,030,077 | 165.23% |
| 1Q FFY07 | SFY07 | 2 | | $ 77,490,766 | $ 6,756,000 | | $ 115,786,077 | 175.47% |
| 2Q FFY07 | SFY07 | 3 | | $ 77,490,766 | $ 8,557,000 | | $ 124,343,077 | 188.44% |
| 3Q FFY07 | SFY07 | 4 | $ 8,745,988 | $ 86,236,754 | $ 1,296,000 | $ 16,709,000 | $ 125,639,077 | 162.13% |
| 4Q FFY07 | SFY08 | 1 | | $ 86,236,754 | $ 2,637,000 | | $ 128,276,077 | 165.54% |
| 1Q FFY08 | SFY08 | 2 | | $ 86,236,754 | $ 1,456,000 | | $ 129,732,077 | 167.42% |
| 2Q FFY08 | SFY08 | 3 | | $ 86,236,754 | $ 6,238,160 | | $ 135,970,237 | 175.47% |
| 3Q FFY08 | SFY08 | 4 | $ 8,570,640 | $ 94,807,394 | $ 4,324,000 | $ 14,655,160 | $ 140,294,237 | 162.68% |
| 4Q FFY08 | SFY09 | 1 | | $ 94,807,394 | $ 475,000 | | $ 140,769,237 | 163.24% |
| 1Q FFY09 | SFY09 | 2 | | $ 94,807,394 | $ 73,800 | | $ 140,843,037 | 163.32% |
| 2Q FFY09 | SFY09 | 3 | | $ 94,807,394 | $ 3,808,000 | | $ 144,651,037 | 167.74% |
| 3Q FFY09 | SFY09 | 4 | $ 8,570,640 | $ 103,378,034 | $ 8,813,000 | $ 13,169,800 | $ 153,464,037 | 161.87% |
| | TOTALS | | $ 94,807,394 | | | | $ 140,294,237 | |
| | CUM TOTAL | | $ 94,807,394 | | | | $ 140,294,237 | |

## HISTORY OF DWSRF BINDING COMMITMENTS ARRA

| Federal Fiscal QTR/YR | State Fiscal Year | Qtr | Grant Payments | Cumulative Payments | Binding Commitment | Fiscal Year Binding Commitment | Cumulative Binding Commitment | BC/Payments One Year Earlier |
|---|---|---|---|---|---|---|---|---|
| 4Q FFY08 | SFY09 | 1 | 17,577,646 | $ 17,577,646 | | | $ - | |
| 1Q FFY09 | SFY09 | 2 | | $ 17,577,646 | | | $ - | |
| 2Q FFY09 | SFY09 | 3 | | $ 17,577,646 | $ 3,418,000 | | $ 3,418,000 | |
| 3Q FFY09 | SFY09 | 4 | | $ 17,577,646 | $ 1,857,000 | $ 5,275,000 | $ 5,275,000 | |
| | TOTALS | | $ 17,577,646 | | | | $ 5,275,000 | |
| | CUM TOTAL | | $ 17,577,646 | | | | $ 5,275,000 | |

## EXHIBIT 6: DWSRF PROJECTED BINDING COMMITMENTS FOR SFY 09

| Public Entities | Estimated Date of Commitment | Estimated Loan Amounts |
|---|---|---|
| Billings - Zone 4 tank | Oct-09 | $ 8,387,000 |
| Belgrade C | May-09 | $ 426,000 |
| Jette Meadows | Nov-09 | $ 325,000 |
| Laurel IV | Jul-09 | $ 1,253,000 |
| Pablo C | Sep-09 | $ 203,000 |
| St. Ignatius | Nov-09 | $ 103,000 |
| Upper Lower River Road | Sep-09 | $ 100,000 |
| Total Regular SRF | | $ 10,797,000 |
| ARRA | | |
| Belgrade A&B | May-09 | $ 750,000 |
| Black Eagle | Dec-09 | $ 225,000 |
| Butte A&B | Dec-09 | $ 750,000 |
| Chester A&B | Sep-09 | $ 448,000 |
| Cut Bank A&B | Jul-09 | $ 750,000 |
| Essex A&B | Oct-09 | $ 357,246 |
| Fort Benton A&B | Oct-09 | $ 631,000 |
| Glendive A&B | Jul-09 | $ 357,000 |
| Havre A&B | Sep-09 | $ 350,000 |
| Helena A&B | Sep-09 | $ 750,000 |
| Jette Meadows A&B | Nov-09 | $ 750,000 |
| Kevin A&B | Jul-09 | $ 680,000 |
| Lewis & Clark - Senior Centers A&B | Sep-09 | $ 46,000 |
| Miles City A&B | Sep-09 | $ 750,000 |
| Missoula County - L&C Subdivision A&B | Jul-09 | $ 636,000 |
| Mountain Water A&B | Dec-09 | $ 750,000 |
| Pablo A&B | Sep-09 | $ 750,000 |
| Polson A&B | Sep-09 | $ 750,000 |
| Three Forks A&B | Oct-09 | $ 170,000 |
| Troy A&B | Nov-09 | $ 500,000 |
| University of Montana | Aug-09 | $ 750,000 |
| Upper Lower River Road A&B | Sep-09 | $ 750,000 |
| Virginia City A&B | Aug-09 | $ 430,000 |
| Whitefish A&B | Sep-09 | $ 270,000 |
| Wilderness Plateau A&B | Dec-09 | $ 263,000 |
| Total ARRA | | $ 13,613,246 |
| Total | | $ 24,410,246 |

## EXHIBIT 7: AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND PROGRAMS

| Year | Transaction Description | DWSRF Cap Grant Amount | 33% of Cap Grant Amount (Eligible for Transfer) | Transferred from CWSRF to DWSRF | Transferred from DWSRF to CWSRF | Banked Transfer Ceiling | DWSRF Funds Available for Transfer | CWSRF Funds Available for Transfer |
|---|---|---|---|---|---|---|---|---|
| 1996 & 1997 | DW Grant Award | $14,826,200 | $4,892,646 | | | $4,892,646 | $4,892,646 | $4,892,646 |
| 1998 | DW Grant Award | $7,121,300 | $2,350,029 | | | $7,242,675 | $7,242,675 | $7,242,675 |
| 1999 | DW Grant Award | $7,463,800 | $2,463,054 | | | $9,705,729 | $9,705,729 | $9,705,729 |
| 2000 | DW Grant Award | $7,757,000 | $2,559,810 | | | $12,265,539 | $12,265,539 | $12,265,539 |
| 2000 | Transfer (2nd Rnd $) | | | $4,750,328 | | $12,265,539 | $17,015,867 | $7,515,211 |
| 2001 | DW Grant Award | $7,789,100 | $2,570,403 | | | $14,835,942 | $19,586,270 | $10,085,614 |
| 2001 | Transfer (2nd Rnd $) | | | $4,032,158 | | $14,835,942 | $23,618,428 | $6,053,456 |
| 2002 | DW Grant Award | $8,052,500 | $2,657,325 | | | $17,493,267 | $26,275,753 | $8,710,781 |
| 2004 | DW Grant Award (03) | $8,004,064 | $2,641,341 | | | $20,134,608 | $28,917,094 | $11,352,122 |
| 2004 | Transfer (2nd Rnd $) | | | | $2,559,810 | $20,134,608 | $26,357,284 | $13,911,932 |
| 2005 | Transfer (2nd Rnd $) | | | | $2,570,403 | $20,134,608 | $23,786,881 | $16,482,335 |
| 2005 | Transfer (2nd Rnd $) | | | | $1,000,000 | $20,134,608 | $22,786,881 | $17,482,335 |
| 2005 | DW Grant Award (04 & 05) | $16,588,524 | $5,474,213 | | | $25,608,821 | $28,261,094 | $22,956,548 |
| 2006 | DW Grant Award (06) | $8,229,300 | $2,715,669 | | | $28,324,490 | $30,976,763 | $25,672,217 |
| 2006 | Transfer (1st Rnd $) | | | | $5,000,000 | $28,324,490 | $25,976,763 | $30,672,217 |
| 2007 | DW Grant Award (07) | $8,229,000 | $2,715,570 | | | $31,040,060 | $28,692,323 | $33,387,787 |
| 2008 | Transfer (2nd Rnd $) | | | $2,500,000 | | | $31,192,333 | $30,887,787 |
| 2008 | DW Grant Award | $8,146,000 | $2,688,180 | | | $33,728,240 | $33,880,513 | $33,575,967 |
| 2009 | Transfer (1st Rnd $) | | | | $5,000,000 | | $28,880,513 | $38,575,967 |
| 2009 | DW ARRA Award | $19,500,000 | $6,435,000 | | | $40,163,240 | $35,315,513 | $45,010,967 |
| Totals | | $121,706,788 | $40,163,240 | $11,282,486 | $16,130,213 | | | |

## EXHIBIT 7A TRANSFER OF FUNDS BETWEEN SRF AND WRF

### Authority to Transfer

| | | | | | | |
|---|---|---|---|---|---|---|
| Award of Water Grant | 1996 & 97 | $ | 14,826,200 | x33% | $ | 4,892,646 |
| | 1998 | | 7,121,300 | x33% | | 2,350,029 |
| | 1999 | | 7,463,800 | x33% | | 2,463,054 |
| | 2000 | | 7,757,000 | x33% | | 2,559,810 |
| | 2001 | | 7,789,100 | x33% | | 2,570,403 |
| | 2002 | | 8,052,500 | x33% | | 2,657,325 |
| | 2003 | | 8,004,064 | x33% | | 2,641,341 |
| | 2004 & 05 | | 16,588,524 | x33% | | 5,474,213 |
| | 2006 | | 8,229,300 | x33% | | 2,715,669 |
| | 2007 | | 8,229,000 | x33% | | 2,715,570 |
| | 2008 | | 8,146,000 | x33% | | 2,688,180 |
| | ARRA | | 19,500,000 | x33% | | 6,435,000 |
| | | $ | 121,706,788 | | $ | 40,163,240 |

### Authority Used

| Fiscal Year | Type of Funds | | SRF to WRF | | WRF to SRF |
|---|---|---|---|---|---|
| SFY 2000 | Recycled | $ | 4,750,328 | $ | - |
| SFY 2001 | Recycled | | 4,032,158 | | - |
| SFY 2002 | | | - | | - |
| SFY 2003 | | | - | | - |
| SFY 2004 | Recycled | | - | | 2,559,810 |
| SFY 2005 | Recycled | | - | | 3,570,403 |
| SFY 2006 | Grant | | - | | 5,000,000 |
| SFY 2007 | | | - | | - |
| SFY 2008 | Recycled | | 2,500,000 | | - |
| SFY 2009 | Grant | | - | | 5,000,000 |
| | | $ | 11,282,486 | $ | 16,130,213 |

| | | SRF | | WRF |
|---|---|---|---|---|
| Authority Available | $ | 40,163,240 | $ | 40,163,240 |
| Used Authority | $ | 11,282,486 | $ | 16,130,213 |
| Balance Available | $ | 28,880,754 | $ | 24,033,027 |

## EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 09

| | | Set-Aside Components | | | | Total | State |
|---|---|---|---|---|---|---|---|
| Date | Loans | Admin | Tech Asst | State Program | Local Asst | Drawn | Match |
| **1st Quarter** | | | | | | | |
| 07/01/08 | 43,158 | | | | | 43,158 | 10,790 |
| 07/07/08 | | 18,500 | | 49,500 | 1,000 | 69,000 | |
| 07/10/08 | 787,284 | | | | | 787,284 | 196,820 |
| 07/16/08 | | 3,600 | 32,000 | 18,000 | | 53,600 | |
| 07/22/08 | 90,318 | | | | | 90,318 | 22,579 |
| 07/25/08 | 123,672 | | | | | 123,672 | 30,918 |
| 08/05/08 | | 10,400 | 34,217 | 67,100 | | 111,717 | |
| 08/06/08 | 13,225 | | | | | 13,225 | 3,306 |
| 08/15/08 | | | 3,783 | 60,800 | 1,800 | 66,383 | |
| 08/18/08 | 37,903 | | | | | 37,903 | 9,476 |
| 08/21/08 | | 6,500 | | | 2,000 | 8,500 | |
| 08/26/08 | 117,091 | | | | | 117,091 | 29,273 |
| 08/28/08 | 413,509 | | | | | 413,509 | 103,378 |
| 09/03/08 | | 25,750 | | 32,000 | -1,750 | 56,000 | |
| 09/05/08 | | 3,100 | | 7,000 | | 10,100 | |
| 09/11/08 | 42,234 | 20,000 | | 9,000 | 1,000 | 72,234 | 10,559 |
| 09/12/08 | | | | 8,500 | | 8,500 | |
| 09/15/08 | | | | 38,000 | | 38,000 | |
| 09/19/08 | | 3,000 | | | | 3,000 | |
| 09/25/08 | 12,638 | | | | | 12,638 | 3,159 |
| 09/30/08 | 461,260 | 55,950 | -12,800 | 30,100 | 19,050 | 553,560 | 115,315 |
| **1st Quarter Draws** | **$ 2,142,292** | **$ 146,800** | **$ 57,200** | **$ 320,000** | **$ 23,100** | **$ 2,689,392** | **$ 535,573** |

## EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 09 (CONTINUED)

| Date | Loans | Set-Aside Components | | | | Total Drawn | State Match |
|---|---|---|---|---|---|---|---|
| | | Admin | Tech Asst | State Program | Local Asst | | |
| **2nd Quarter** | | | | | | | |
| 10/03/08 | 206,499 | | | | | 206,499 | 51,625 |
| 10/09/08 | 118,847 | 21,000 | 1,000 | 38,100 | 7,000 | 185,947 | 29,712 |
| 10/10/08 | 290,800 | | | | | 290,800 | |
| 10/16/08 | | | | 12,000 | | 12,000 | |
| 10/22/08 | | 1,500 | | 17,500 | | 19,000 | |
| 10/24/08 | 30,864 | | | | | 30,864 | 7,716 |
| 10/29/08 | 39,439 | | | | | 39,439 | 9,860 |
| 10/31/08 | | 20,500 | | 300 | 4,200 | 25,000 | |
| 11/05/08 | | 25,000 | | 27,500 | 15,500 | 68,000 | |
| 11/06/08 | | 3,000 | | 4,000 | 600 | 7,600 | |
| 11/12/08 | 97,409 | | | | | 97,409 | 17,224 |
| 11/13/08 | | | 5,400 | | | 5,400 | |
| 11/14/08 | 12,000 | | | | | 12,000 | 3,000 |
| 11/21/08 | 189,725 | 24,000 | 700 | 24,800 | 6,100 | 245,325 | 47,431 |
| 11/24/08 | 7,248 | | | | | 7,248 | 1,812 |
| 11/25/08 | | 900 | 3,700 | -1,266 | | 3,334 | |
| 12/04/08 | 57,267 | | | | | 57,267 | 14,317 |
| 12/05/08 | 81,153 | 25,300 | | 11,600 | 6,700 | 124,753 | 20,288 |
| 12/10/08 | 156,669 | | | | | 156,669 | 39,168 |
| 12/15/08 | 708,564 | | | | | 708,564 | 177,141 |
| 12/17/08 | 255,613 | | | | | 255,613 | 63,903 |
| 12/18/08 | | 23,500 | | 37,500 | 2,500 | 63,500 | |
| 12/31/08 | | 16,800 | 5,700 | 19,000 | 900 | 42,400 | |
| **2nd Quarter Draws** | **$ 2,252,097** | **$ 161,500** | **$ 16,500** | **$ 191,034** | **$ 43,500** | **$ 2,664,631** | **$ 483,197** |

## EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 09 (CONTINUED)

| Date | Loans | Set-Aside Components | | | | Total Drawn | State Match |
|---|---|---|---|---|---|---|---|
| | | Admin | Tech Asst | State Program | Local Asst | | |
| **3rd Quarter** | | | | | | | |
| 01/05/09 | 437,429 | 3,200 | 600 | 3,000 | 300 | 444,529 | 112,985 |
| 01/06/09 | 137,647 | | | | | 137,647 | 6,040 |
| 01/09/09 | | | | 2,500 | 500 | 3,000 | |
| 01/16/09 | 99,050 | 21,600 | | 19,400 | 4,200 | 144,250 | 24,763 |
| 01/20/09 | | 4,200 | | 4,200 | 100 | 8,500 | |
| 01/22/09 | | | | 10,500 | | 10,500 | |
| 01/27/09 | 1,807 | | | | | 1,807 | 452 |
| 01/28/09 | | 6,700 | 4,200 | 26,300 | 2,300 | 39,500 | |
| 01/29/09 | 26,970 | | | | | 26,970 | 6,743 |
| 02/03/09 | | | | 2,166 | | 2,166 | |
| 02/10/09 | 64,809 | | | | | 64,809 | 16,202 |
| 02/12/09 | | | | 15,000 | 2,500 | 17,500 | |
| 02/19/09 | 21,589 | | | | | 21,589 | 5,397 |
| 02/26/09 | | | 10,000 | 49,600 | | 59,600 | |
| 03/02/09 | 276,550 | | | | | 276,550 | 69,137 |
| 03/04/09 | 3,677 | | | | | 3,677 | 919 |
| 03/12/09 | | | | 38,700 | | 38,700 | |
| 03/20/09 | 12,249 | | | | | 12,249 | 3,062 |
| 03/27/09 | | | 10,000 | 40,300 | | 50,300 | |
| **3rd Quarter Draws** | **$ 1,081,777** | **$ 35,700** | **$ 24,800** | **$ 211,666** | **$ 9,900** | **$ 1,363,843** | **$ 245,700** |

## EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 09 (CONTINUED)

| Date | Loans | Set-Aside Components | | | | Total Drawn | State Match |
|---|---|---|---|---|---|---|---|
| | | Admin | Tech Asst | State Program | Local Asst | | |
| **4th Quarter** | | | | | | | |
| 04/01/09 | 27,527 | | | | | 27,527 | 6,882 |
| 04/09/09 | | | | 45,000 | | 45,000 | |
| 04/10/09 | 126,771 | | | | | 126,771 | 31,693 |
| 04/14/09 | | -15,000 | 4,500 | 8,600 | 11,400 | 9,500 | |
| 04/23/09 | | 3,000 | | 34,200 | 3,100 | 40,300 | |
| 04/28/09 | 6,214 | | | | | 6,214 | 1,554 |
| 05/08/09 | | 15,600 | 19,900 | 23,300 | | 58,800 | |
| 05/20/09 | 377,320 | | | | | 377,320 | 94,330 |
| 05/26/09 | | 8,500 | | 30,700 | 400 | 39,600 | |
| 06/03/09 | 98,807 | | | | | 98,807 | 24,702 |
| 06/05/09 | 28,002 | | | | | 28,002 | 7,001 |
| 06/08/09 | 123,450 | 1,500 | 17,000 | 37,000 | | 178,950 | 30,863 |
| 06/09/09 | 292,000 | | | | | 292,000 | 73,000 |
| 06/16/09 | 48,834 | | | | | 48,834 | 12,208 |
| 06/17/09 | | | 11,800 | 21,300 | | 33,100 | |
| 06/23/09 | | | | 4,305 | | 4,305 | |
| 06/25/09 | 98,167 | | | | | 98,167 | |
| 06/26/09 | | | 1,200 | 19,200 | | 20,400 | |
| 06/26/09 | | | | 7,600 | | 7,600 | |
| **4th Quarter Draws** | **$ 1,227,092** | **$ 13,600** | **$ 54,400** | **$ 231,205** | **$ 14,900** | **$ 1,541,197** | **$ 282,233** |
| **Total FY09 Draws** | **$ 6,703,258** | **$ 357,600** | **$ 152,900** | **$ 953,905** | **$ 91,400** | **$ 8,259,063** | **$ 1,546,703** |

* Highlighted Draws = ARRA

**EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 09**

| Program Name: FS998850 - 97 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 593,048 | 593,048 | - | - |
| Technical Assistance | 296,524 | 296,524 | - | - |
| State Programs | | | | |
| Public Water Supply Administration | 120,000 | 120,000 | - | - |
| Source Water Protection/Database | 100,000 | 100,000 | - | - |
| Capacity Development | 50,000 | 50,000 | - | - |
| Operator Certification | 55,000 | 55,000 | - | - |
| *Subtotal* | *325,000* | *325,000* | - | - |
| Local Assistance | 1,482,620 | 1,482,620 | - | - |
| Loans | 12,129,008 | 12,129,008 | - | - |
| **Total** | **14,826,200** | **14,826,200** | **-** | **-** |

| Program Name: FS998850 - 98 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 284,852 | 284,852 | - | - |
| Technical Assistance | 142,426 | 142,426 | - | - |
| State Programs | | | | |
| Public Water Supply Administration | 155,470 | 155,470 | - | - |
| Source Water Protection/Database | 105,000 | 105,000 | - | - |
| Capacity Development | 10,000 | 10,000 | - | - |
| Operator Certification | 70,000 | 70,000 | - | - |
| *Subtotal* | *340,470* | *340,470* | - | - |
| Loans | 6,353,552 | 6,353,552 | - | - |
| **Total** | **7,121,300** | **7,121,300** | **-** | **-** |

## EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 09 (CONTINUED)

| Program Name: FS998850 - 99 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 298,552 | 298,552 | - | - |
| Technical Assistance | 149,276 | 149,276 | - | - |
| State Programs | | | | |
| Public Water Supply Administration | 154,800 | 154,800 | - | - |
| Source Water Protection/Database | 100,000 | 100,000 | - | - |
| Capacity Development | 10,000 | 10,000 | - | - |
| Operator Certification | 70,000 | 70,000 | - | - |
| *Subtotal* | *334,800* | *334,800* | - | - |
| Loans | 6,681,172 | 6,681,172 | - | - |
| **Total** | **7,463,800** | **7,463,800** | **-** | **-** |

| Program Name: FS998850 - 00 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 310,280 | 310,280 | - | - |
| State Programs | | | | |
| Public Water Supply Administration | 155,000 | 155,000 | - | - |
| Source Water Protection/Database | 75,000 | 75,000 | - | - |
| Capacity Development | 50,000 | 50,000 | - | - |
| Operator Certification | 70,000 | 70,000 | - | - |
| *Subtotal* | *350,000* | *350,000* | - | - |
| Loans | 7,096,720 | 7,096,720 | - | - |
| **Total** | **7,757,000** | **7,757,000** | **-** | **-** |

**EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 09 (CONTINUED)**

| Program Name: FS998850 - 01 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 311,564 | 311,564 | - | - |
| State Programs | | | | |
| Source Water Protection/Database | 75,000 | 75,000 | - | - |
| Capacity Development | 50,000 | 50,000 | - | - |
| *Subtotal* | *125,000* | *125,000* | - | - |
| Loans | 7,352,536 | 7,352,536 | - | - |
| **Total** | **7,789,100** | **7,789,100** | **-** | **-** |

| Program Name: FS998850 - 02 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 322,100 | 322,100 | - | - |
| State Programs | | | | |
| Public Water Supply Administration | 395,000 | 395,000 | - | - |
| Capacity Development | 50,000 | 50,000 | - | - |
| Operator Certification | 90,000 | 90,000 | - | - |
| *Subtotal* | *535,000* | *535,000* | - | - |
| Loans | 7,195,400 | 7,195,400 | - | - |
| **Total** | **8,052,500** | **8,052,500** | **-** | **-** |

## EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 09 (CONTINUED)

| Program Name: FS998850 - 03 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 320,164 | 320,164 | - | - |
| Technical Assistance | 125,000 | 125,000 | - | - |
| State Programs | | | | |
| Source Water Protection/Database | 100,000 | 100,000 | - | - |
| Public Water Supply Administration | 395,000 | 395,000 | - | - |
| Operator Certification | 90,000 | 90,000 | - | - |
| *Subtotal* | *585,000* | *585,000* | - | - |
| Loans | 6,973,900 | 6,973,900 | - | - |
| **Total** | **8,004,064** | **8,004,064** | **-** | **-** |

| Program Name: FS998850 - 04 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 332,124 | 332,124 | - | - |
| Technical Assistance | 135,000 | 135,000 | - | - |
| State Programs | | | | |
| Source Water Protection/Database | 100,000 | 100,000 | - | - |
| Capacity Development | 82,000 | 82,000 | - | - |
| Public Water Supply Administration | 160,000 | 160,000 | - | - |
| Operator Certification | 90,000 | 90,000 | - | - |
| *Subtotal* | *432,000* | *432,000* | - | - |
| Local Assistance | 40,000 | 40,000 | - | - |
| **Total** | **939,124** | **939,124** | **-** | **-** |

## EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 09 (CONTINUED)

| Program Name: FS998850 - 05 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 331,420 | 331,420 | - | - |
| Technical Assistance | 125,000 | 125,000 | - | - |
| State Programs | | | | |
| Source Water Protection/Database | 100,000 | 100,000 | - | - |
| Capacity Development | 75,000 | 75,000 | - | - |
| Public Water Supply Administration | 630,000 | 630,000 | - | - |
| Operator Certification | 160,000 | 160,000 | - | - |
| *Subtotal* | *965,000* | *965,000* | - | - |
| Local Assistance | 40,000 | 40,000 | - | - |
| Loans | 9,187,980 | 9,187,980 | - | - |
| **Total** | **10,649,400** | **10,649,400** | **-** | **-** |

| Program Name: FS998850 - 06 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 329,172 | 329,172 | | - |
| Technical Assistance | 20,000 | 16,300 | 3,700 | - |
| State Programs | | | | |
| Source Water Protection/Database | 100,000 | 100,000 | | - |
| Capacity Development | 50,000 | 50,000 | | - |
| Public Water Supply Administration | 550,000 | 537,600 | 12,400 | - |
| Operator Certification | 30,000 | 30,000 | | - |
| *Subtotal* | *730,000* | *717,600* | *12,400* | - |
| Local Assistance | 50,000 | 50,000 | - | - |
| Loans | 7,100,128 | 5,223,535 | 1,876,593 | - |
| **Total** | **8,229,300** | **6,336,607** | **1,892,693** | **-** |

## EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 09 (CONTINUED)

| Program Name: FS998850 - 07 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 329,160 | 296,660 | 32,500 | - |
| Technical Assistance | 95,000 | 25,000 | 70,000 | - |
| State Programs | | | | |
| Source Water Protection/Database | 100,000 | 42,610 | 57,390 | - |
| Capacity Development | 80,000 | 67,446 | 12,554 | - |
| Public Water Supply Administration | 550,000 | 294,577 | 255,423 | - |
| Operator Certification | 60,000 | 29,367 | 30,633 | - |
| *Subtotal* | *790,000* | *434,000* | *356,000* | - |
| Local Assistance | 90,000 | 89,000 | 1,000 | - |
| Loans | 6,924,840 | - | 4,728,498 | 2,196,342 |
| **Total** | **8,229,000** | **844,660** | **5,187,998** | **2,196,342** |

| Program Name: FS998850 - 08 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 325,840 | - | 325,100 | 740 |
| Technical Assistance | 90,000 | - | 79,200 | 10,800 |
| State Programs | | | | |
| Source Water Protection/Database | 99,600 | - | 88,085 | 11,515 |
| Capacity Development | 75,000 | - | 75,000 | - |
| Public Water Supply Administration | 550,000 | - | 337,604 | 212,396 |
| Operator Certification | 90,000 | - | 77,216 | 12,784 |
| *Subtotal* | *814,600* | - | *577,905* | *236,695* |
| Local Assistance | 90,400 | - | 90,400 | - |
| Loans | 1,825,160 | - | - | 1,825,160 |
| **Total** | **3,146,000** | **-** | **1,072,605** | **2,073,395** |

| Program Name: FS998850 - 09 | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 325,840 | - | - | 325,840 |
| Technical Assistance | 125,000 | - | - | 125,000 |
| State Programs | | | | |
| Source Water Protection/Database | 100,000 | - | - | 100,000 |
| Capacity Development | 78,000 | - | - | 78,000 |
| Public Water Supply Administration | 665,000 | - | - | 665,000 |
| Operator Certification | 90,000 | - | - | 90,000 |
| *Subtotal* | *933,000* | - | - | *933,000* |
| Local Assistance | 90,000 | - | - | 90,000 |
| Loans | - | - | - | - |
| **Total** | **1,473,840** | **-** | **-** | **1,473,840** |

| Program Name: 2F978792-01 ARRA | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 780,000 | | | 780,000 |
| Technical Assistance | - | | | - |
| State Programs | | | | |
| Source Water Protection/Database | - | | | - |
| Capacity Development | - | | | - |
| Public Water Supply Administration | 1,142,354 | | 7,600 | 1,134,754 |
| Operator Certification | - | | | - |
| *Subtotal* | *1,142,354* | - | *7,600* | *1,134,754* |
| Local Assistance | - | | | - |
| Loans | 17,577,646 | - | 98,167 | 17,479,479 |
| **Total** | **19,500,000** | **-** | **105,767** | **19,394,233** |

| Program Name: Total All Grants | Budget | Previous Draws | SFY 09 Draws | Balance 6/30/2009 |
|---|---|---|---|---|
| Administration | 5,194,116 | 3,729,936 | 357,600 | 1,106,580 |
| Technical Assistance | 1,303,226 | 1,014,526 | 152,900 | 135,800 |
| State Programs | | | | |
| Public Water Supply Administration | 5,622,624 | 2,997,447 | 613,027 | 2,012,150 |
| Source Water Protection/Database | 1,154,600 | 897,610 | 145,475 | 111,515 |
| Capacity Development | 660,000 | 494,446 | 87,554 | 78,000 |
| Operator Certification | 965,000 | 754,367 | 107,849 | 102,784 |
| *Subtotal* | *8,402,224* | *5,143,870* | *953,905* | *2,304,449* |
| Local Assistance | 1,883,020 | 1,701,620 | 91,400 | 90,000 |
| Loans | 96,398,042 | 68,193,803 | 6,703,258 | 21,500,981 |
| **Total** | **113,180,628** | **79,783,755** | **8,259,063** | **25,137,810** |

Exhibit 9, SFY 2009 Summary of Drinking Water SRF Letter of Credit to ASAP Draws shows 45 disbursement requests totaling $6,703,258, 28 administrative set-aside disbursement requests totaling $357,600 and 44 non-adminstrative set-aside requests totaling $1,198,205. The total federal draws for SFY 2009 were $8,259,063.

**EXHIBIT 10: SET ASIDES 1 TO 1 MATCH FUNDING SUMMARY**

## MONTANA DEPT OF ENVIRONMENTAL QUALITY
### PUBLIC WATER SUPPLY PROGRAM

### INTENDED USE PLAN

| | | FUND SOURCES | | |
|---|---|---|---|---|
| State FYE 93 | | FEDERAL | STATE MATCH | STATE EXCESS |
| Activity | R/C | | | |
| Public Water Supply Program | 2511/2512 | 738,559 | 246,186 | |
| Drinking Water Fees | 2512 | | | 203,526 |
| Subdivisions | 2515 | | | 173,061 |
| Subdivision Supplemental | 2518 | | | 101,731 |
| Board Cert for W&WW Operators | 2516 | | | 57,085 |
| | **TOTAL FY 93** | **738,559** | **246,186** | **535,404** |

| | | FUND SOURCES | | |
|---|---|---|---|---|
| State FYE 09<br>Activity | Org Unit | FEDERAL<br>PPG Grant | STATE Match<br>PPG Grant-25% | STATE Match<br>for SRF Grant |
| Public Water Supply Program - 02204 | 120520, 302832, 545811 | 1,236,250 | 309,063 | |
| Subdivision Fees - 02418 | 120520,302827,546115 - 546141 | | | 1,580,340 |
| Drinking Water Fees - 02204 | 545812, 545819 | | | 117,495 |
| Board Cert for W&WW Operators - 02420 | 545916 | | | 87,357 |
| | **TOTAL FY 09** | **1,236,250** | **309,063** | **1,785,192** |

| Exhibit 11: DWSRF Loans – MBE/WBE For Contracts Awarded During SFY 09 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **FFY Qtr/Yr** | **SFY Qtr/Yr** | **Borrower** | **Loan No.** | **Bid Amount** | **Loan Amount** | **DBE Type** | **DBE Amount** | **DBE Percent #** |
| 04/08 | 01/09 | Harlem | WRF09-107 | $1,759,300 | $1,121,000 | WBE | $7000 | 0.40% |
| | | Great Falls | WRF09-125 | $644,485 | $4,010,000* | WBE | $644,485 | 100% |
| | | | | | | | | |
| 01/09 | 02/09 | None | | | | | | |
| | | | | | | | | |
| 02/09 | 03/09 | None | | | | | | |
| | | | | | | | | |
| 03/09 | 04/09 | Columbus | WRF10-141 | $317,975 | $750,000 | WBE | $317,975 | 100% |
| | | Billings | WRF10-153<br>WRF10-155 | $4,179,445 | $750,000<br>$3,500,000 | WBE | $21,182 | 0.50% |
| | | Cut Bank | WRF10-162 | $1,518,477 | $750,000 | WBE | $1,518,477 | 100% |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

*Original total loan amount being used to construct multiple schedules/projects.

# Appendix A: SFY09 Cash Flow Model

# Appendix B: SFY09 Financial Statements Unaudited with Footnotes

# Appendix C: SFY09 Intended Use Plan

# Appendix D: Map of Projects & List

# DRINKING WATER REVOLVING FUND LOANS

| COMPLETED LOANS | LOAN AMOUNT | INTEREST RATE |
|---|---|---|
| Big Sandy | $ 349,377 | 2.75% |
| Big Sky I | $ 534,000 | 4.00% |
| Big Sky II | $ 1,966,000 | 4.00% |
| Big Sky III | $ 5,000,000 | 3.75% |
| Billings SID | $ 818,000 | 4.00% |
| Billings | $ 17,300,000 | 3.75% |
| Boulder | $ 1,294,000 | 4.00% |
| Bozeman | $ 94,000 | 3.75% |
| Broadview | $ 203,000 | 4.00% |
| Brockton | $ 44,998 | 4.00% |
| Cascade | $ 129,998 | 3.00% |
| Charlo WSD | $ 85,000 | 3.75% |
| Choteau | $ 332,000 | 3.00% |
| Colstrip I | $ 563,000 | 4.00% |
| Colstrip II | $ 829,000 | 4.00% |
| Columbia Falls I | $ 907,000 | 4.00% |
| Columbia Falls II | $ 502,000 | 3.75% |
| Columbus | $ 110,000 | 3.75% |
| Conrad I | $ 650,000 | 4.00% |
| Conrad II | $ 1,543,172 | 4.00% |
| Cut Bank I | $ 283,000 | 4.00% |
| Cut Bank II | $ 576,000 | 4.00% |
| Dry Prairie Rural Wtr Auth | $ 313,000 | 2.75% |
| Dry Prairie II | $ 507,000 | 2.75% |
| Dry Prairie III | $ 368,000 | 2.75% |
| East Helena I | $ 228,000 | 3.00% |
| East Helena II | $ 3,234,000 | 3.00% |
| Ekalaka Refinace | $ 290,800 | 2.75% |
| Ekalaka | $ 313,000 | 2.75% |
| Elk Meadows Ranchettes | $ 200,000 | 4.00% |
| Ennis I | $ 59,701 | 4.00% |
| Ennis II | $ 500,000 | 2.75% |
| Eureka | $ 619,000 | 4.00% |
| Fort Peck WSD | $ 1,520,000 | 4.00% |
| Gardiner-Park County WSD - A | $ 161,504 | 3.00% |
| Gardiner Park County WSD - B | $ 330,000 | 3.00% |
| Gardiner Park County WSD - C | $ 267,000 | 4.00% |
| Gardiner-Park County WSD II | $ 463,784 | 2.75% |
| Gardiner-Park County WSD III | $ 125,000 | 2.75% |
| Geraldine | $ 129,000 | 3.00% |
| Glendive | $ 1,565,000 | 4.00% |
| Goodan Keil WD | $ 475,000 | 2.75% |
| Great Falls | $ 3,000,000 | 4.00% |
| Great Falls | $ 4,010,000 | 3.75% |
| Hamilton I | $ 220,000 | 4.00% |
| Hamilton II - A | $ 500,000 | 2.75% |
| Hamilton II - B | $ 318,000 | 3.75% |
| Hamilton II - C | $ 380,000 | 3.75% |
| Hamilton | $ 170,000 | 3.75% |
| Hardin | $ 453,900 | 3.75% |
| Harlem I-A | $ 500,000 | 2.75% |
| Harlem I-B | $ 621,000 | 3.75% |
| Havre I | $ 600,000 | 4.00% |
| Havre II | $ 8,401,000 | 4.00% |
| Havre III - A | $ 500,000 | 2.75% |
| Havre III - B | $ 956,000 | 3.75% |
| Helena I | $ 1,250,000 | 4.00% |
| Helena II | $ 2,850,000 | 3.75% |
| Helena III | $ 2,750,000 | 3.75% |
| Highwood WSD | $ 75,000 | 3.00% |
| Hill County | $ 723,998 | 3.75% |
| Jette Meadows WSD | $ 44,477 | 2.75% |
| Jette Meadows WSD | $ 300,000 | 3.75% |

| COMPLETED LOANS (cont'd) | LOAN AMOUNT | INTEREST RATE |
|---|---|---|
| Kalispell | $ 761,000 | 4.00% |
| Kalispell - refinance | $ 1,283,159 | 3.75% |
| Kalispell II | $ 1,500,000 | 3.75% |
| LaCasa Grande WSD I | $ 150,000 | 4.00% |
| LaCasa Grande WSD II | $ 500,000 | 2.75% |
| Lakeside | $ 400,000 | 3.00% |
| Laurel I | $ 5,250,000 | 4.00% |
| Laurel II | $ 2,541,000 | 4.00% |
| Laurel III-A | $ 500,000 | 2.75% |
| Laurel III-A | $ 190,000 | 2.75% |
| Lewis & Clark County - Woodlawn | $ 319,516 | 2.75% |
| Lewistown | $ 3,549,000 | 3.75% |
| Livingston I | $ 155,000 | 2.75% |
| Livingston Rev | $ 700,000 | 3.75% |
| Livingston Rev | $ 200,000 | 3.75% |
| Livingston TIF | $ 676,472 | 3.75% |
| Livingston SID | $ 322,088 | 3.75% |
| Lockwood WSD I | $ 1,700,000 | 4.00% |
| Lockwood WSD II - A | $ 500,000 | 2.75% |
| Lockwood WSD II - B | $ 500,000 | 3.75% |
| Lockwood WSD III - A | $ 500,000 | 2.75% |
| Lockwood WSD III - B | $ 600,000 | 3.75% |
| Miles City | $ 1,007,697 | 3.75% |
| Miles City - Carbon Hill | $ 500,000 | 2.75% |
| Miles City - NE waterlines | $ 500,000 | 2.75% |
| Miles City - Carbon Hill | $ 2,200,000 | 3.75% |
| Miles City - NE waterlines | $ 2,200,000 | 3.75% |
| Missoula County Fair | $ 206,194 | 4.00% |
| Missoula County - Lorraine South | $ 142,000 | 3.75% |
| Missoula/Sunset West | $ 291,000 | 4.00% |
| Neihart | $ 107,617 | 2.75% |
| Panoramic Mtn River Hgts WD | $ 120,000 | 3.75% |
| Philipsburg | $ 238,322 | 3.00% |
| Phillips Co Green Mdws WSD | $ 63,727 | 2.75% |
| Phillips Co Green Mdws WSD (GAN) | $ 100,000 | 2.75% |
| Plains | $ 239,628 | 3.75% |
| Plentywood | $ 577,000 | 4.00% |
| Plentywood II | $ 500,000 | 2.75% |
| Plentywood II - B | $ 500,000 | 3.75% |
| Power-Teton WSD I | $ 400,000 | 2.75% |
| Power-Teton WSD II | $ 375,000 | 2.75% |
| Richey | $ 45,000 | 2.75% |
| River Rock WSD | $ 2,100,000 | 4.00% |
| Saco | $ 520,000 | 2.75% |
| Seeley Lake | $ 1,340,000 | 3.00% |
| Shelby I | $ 866,000 | 4.00% |
| Shelby II | $ 677,000 | 4.00% |
| Shelby III | $ 700,000 | 3.75% |
| Shelby IV | $ 709,000 | 3.75% |
| Shelby IV-A | $ 500,000 | 2.75% |
| Shelby IV-B | $ 150,000 | 3.75% |
| Sheridan | $ 265,200 | 2.75% |
| Sheridan BAN | $ 167,622 | 2.75% |
| Sheridan II | $ 423,000 | 2.75% |
| Spring Meadows Co WD | $ 309,000 | 2.75% |
| Sunny Meadows | $ 180,000 | 2.75% |
| Superior I | $ 500,000 | 2.75% |
| Superior II | $ 1,229,105 | 3.75% |
| Superior ARRA A | $ 165,400 | 0.75% |
| Superior ARRA B | $ 132,600 | 75.00% |
| Thompson Falls I | $ 500,000 | 2.75% |
| Thompson Falls II | $ 897,596 | 3.75% |
| Thompson Falls | $ 138,000 | 2.75% |

| COMPLETED LOANS (cont'd) | LOAN AMOUNT | INTEREST RATE |
|---|---|---|
| Three Forks I | $ 336,000 | 3.75% |
| Three Forks BAN | $ 22,570 | 2.75% |
| Three Forks III | $ 268,000 | 3.75% |
| Twin Bridges | $ 286,515 | 4.00% |
| Upper Lower River Rd WSD | $ 500,000 | 2.75% |
| Upper/Lower River Road WSD | $ 195,000 | 3.75% |
| Upper/Lower River Road WSD BAN | $ 234,479 | 2.75% |
| Upper/Lower River Road WSD BAN II | $ 606,536 | 2.75% |
| Upper Lower River Rd II | $ 365,000 | 2.75% |
| Virginia City | $ 66,000 | 4.00% |
| Whitefish I | $ 400,000 | 4.00% |
| Whitefish II | $ 5,839,000 | 4.00% |
| Whitefish III | $ 895,835 | 3.75% |
| Whitefish IV | $ 900,000 | 3.75% |
| Wolf Point | $ 730,000 | 3.75% |
| Worden-Ballantine WSD I | $ 500,000 | 2.75% |
| Worden-Ballantine WSD II | $ 368,000 | 3.75% |
| Yellowstone County RSID | $ 373,000 | 3.75% |
| **Subtotal** | **$ 132,871,587** | |

| PROPOSED LOANS | AMOUNT | RATE |
|---|---|---|
| Belgrade ARRA A | $ 426,000 | 0.00% |
| Belgrade ARRA B | $ 333,700 | 0.75% |
| Belgrade C | $ 426,000 | 3.75% |
| Billings Waterlines ARRA A | $ 416,300 | 0.00% |
| Billings Waterlines ARRA B | $ 333,700 | 1.75% |
| Billings Waterlines C | $ 2,750,000 | 3.75% |
| Billings Zone 4 tank | $ 8,387,000 | 3.75% |
| Billings Heights | $ 1,038,000 | 3.75% |
| Columbus ARRA A | $ 416,300 | 0.00% |
| Columbus ARRA B | $ 333,700 | 1.75% |
| Elk Meadows ARRA A | $ 416,300 | 0.00% |
| Elk Meadows ARRA B | $ 333,700 | 0.75% |
| Great Falls ARRA A | $ 416,300 | 0.00% |
| Great Falls ARRA B | $ 333,700 | 1.75% |
| Manhattan ARRA A | $ 127,700 | 0.00% |
| Manhattan ARRA B | $ 102,300 | 0.75% |
| Seeley Lake WD ARRA A | $ 416,300 | 0.00% |
| Seeley Lake WD ARRA B | $ 333,700 | 0.75% |
| Seeley Lake WD | $ 2,695,000 | 3.75% |
| **Subtotal** | **$ 20,035,700** | |
| **Grand Total** | **$ 152,907,287** | |